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No. CS 101 / 2016

30 September 2016

Subject: Supreme Administrative Court's judgment to return the payment from the Sugarcane and Sugar Board and the Sugarcane and Sugar Fund to the Company

To: President

The Stock Exchange of Thailand

Khon Kaen Sugar Industry Public Company Limited ("Company") would like to inform the SET of the judgment of Supreme Administrative Court for the Company on 29 September 2016 as follows.

On 23 January 2006, the Company filed a lawsuit against the Sugarcane and Sugar Board ("Board") and the Sugarcane and Sugar Fund ("Fund") to the Central Administrative Court to request the return of the money paid as the alleged money for stability maintenance of sugarcane and sugar industry for the production seasons 1999/2000 – 2002/2003. The money was demanded by the Board at the rate of 0.5% of the Company's net income in each production season and submitted to the Fund at the total of 68,914,938.14 THB (Sixty Eight Million Nine Hundred Fourteen Thousand Nine Hundred Thirty Eight Baht and Fourteen Satang). The Company claimed that this demand was not lawful under the Sugarcane and Sugar Act B.E. 2527. Later, on 30 November 2010 the Central Administrative Court dismissed the Company's case. The Company filed an appeal to the Supreme Administrative Court on 27 December 2010.

On 29 September 2016, the Supreme Administrative Court reverses the decision of the Central Administrative Court. The final judgment is that the money demanded by the Board at the fixed rate was not in conformity with the Sugarcane and Sugar Act B.E. 2527; therefore, the Fund has no right to receive such money. The act of the Fund by not returning the money is, accordingly, a wrongful act against the Company. Besides, the Company is not deemed to pay the amount voluntarily. Therefore, the Board and the Fund must return the paid amount to the Company in the total of 68,914,938.14 THB (Sixty Eight Million Nine Hundred Fourteen Thousand Nine Hundred Thirty Eight Baht and Fourteen Satang) with the interest at the rate of 7.5 % per year as from the case filing date (23 January 2006) until the full payment is made. The return of such combined amount must be fulfilled within 90 days

from the final judgment day (29 September 2016). The Board and the Fund are also ordered to return the court's fee paid by the Company at both trial and appeal levels at the amount of 200,000 THB (Two Hundred Thousand Baht) to the Company.

Please be informed accordingly.

Sincerely yours,

*-Signature-*

(Mr. Dhajjai Subhapholsiri)

Company Secretary



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