

(Translation)

No. CS 100 / 2016

30 September 2016

Subject : Notification of Resolutions of the Meeting of Board's Directors

To : The President
The Stock Exchange of Thailand

Attachment: Information Memorandum Information Memorandum regarding the Listing of
Khon Kaen Alcohol Company Limited, a subsidiary company of Khon Kaen
Sugar Industry Public Company Limited, in the Stock Exchange of Thailand

Khon Kaen Sugar Industry Public Company Limited ("Company") would like to inform that the Resolution of the Board of Directors' Meeting No. 7/2558-2559 held on 30 September 2016 resolved to agree and approve the Spin-off Plan of Khon Kaen Alcohol Company Limited ("KKA") in which it is expected to complete within the third quarter of 2017. In this regard, KKA will file the application for the offer of its newly issued ordinary shares with the Securities and Exchange Commission (the "SEC") and will file the application for the listing of its ordinary shares with the SET. The Company will remain a controlling shareholder of KKA in the proportion of not less than 70 percent of the paid-up capital after offering KKA's newly issued ordinary shares to the Public according to Attachment 1.

Please be informed accordingly.

Sincerely yours,

-Signature-

(Mr. Chamroon Chinthammit)

President and Chief Executive Officer

Office of Company Secretary and Legal

Telephone : 02-642-6230

Facsimile : 02-642-6092



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Information Memorandum regarding the Listing of Khon Kaen Alcohol Company Limited, a subsidiary company of Khon Kaen Sugar Industry Public Company Limited, in the Stock Exchange of Thailand

Reference is made to Khon Kaen Alcohol Company Limited (“**KKA**”), a subsidiary company of Khon Kaen Sugar Industry Public Company Limited (the “**Company**” or “**KSL**”), wishes to raise fund by the issuance and offer of its newly issued ordinary shares to the general public (“**IPO**”) and to the shareholders of the Company who are entitled to purchase the newly issued ordinary shares in proportion of their respective shareholdings (**Pre-emptive Right**) and subsequently list its ordinary shares in the Stock Exchange of Thailand (the “**SET**”). The capital raised from this funding will be used for an expansion of KKA’s business in the future and/or repayment of loans from financial institutions and/or working capital for KKA’s business operation.

Accordingly, the meeting of Board of Directors of the Company No. 7/2015-2016 held on 30 September 2016 resolved to agree and approve the plan to conduct the IPO for the newly issued ordinary shares of KKA not exceeding 30 percent of the paid-up capital of KKA after an offer of its newly issued ordinary shares to the general public (IPO) and to the shareholders of the Company who are entitled to purchase the newly issued ordinary shares in proportion of their respective shareholdings (Pre-emptive Right) (collectively referred to as the “**Spin-off Plan**”). In this regard, after an offer of KKA’s newly issued ordinary shares to the general public and to shareholders of the Company who are entitled to purchase the newly issued ordinary shares in proportion of their respective shareholdings, the Company will remain a controlling shareholder of KKA in the proportion of not less than 70 percent of the paid-up capital after the capital increased.

The Spin-off Plan is fallen under the disposition of assets transaction of listed companies pursuant to the Notification of the Capital Market Supervisory Board No. Tor Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition and Disposal of Assets (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Assets B.E. 2547 (as amended) (collectively referred to as the “**Notifications of Acquisition and Disposition of Assets**”). The calculation of the size of the dilution of the Company’s shareholding proportion in KKA in accordance with the methods specified under the Notifications of Acquisition and Disposition of Assets, based on the Company’s consolidated financial statement for the fiscal year ended 31 October 2015, which was audited by certified auditor, and for the nine-month period ended 31 July 2016, which was reviewed by certified auditor, and KKA’s separated financial statement for the fiscal year ended 31 October 2015, which was audited by certified auditors, and for the six-month period ended 30 April 2016, which was reviewed by certified auditors, resulting in the largest transaction size of 27.07 percent per net profit criteria. As such, this transaction is treated as the type 2 transaction whereby the Company will be obliged to disclose the information memorandum through the SET and prepare the information memorandum to deliver to the shareholders within 21 days from the date on which the above disclosure is made to the SET.

In addition, before KKA lists its ordinary shares in the SET, KKA will change its company name and convert itself to public company regarding to Public Limited Companies Act B.E. 2535 (as amended) in which the company name of KKA will be changed from “Khon

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Kaen Alcohol Company Limited” to “KSL Green Innovation Public Company Limited”. Details of the transaction are as follows:

1. Date of the Transaction

This Spin-off Plan depends on the completion of the Condition Precedent specified in Clause 12, which is expected to be completed within the third quarter of 2017.

2. Related Parties and Relationship to the Company

Securities Issuer : KKA, a subsidiary company of the Company (holding 100.00 percent stakes)
 Securities : General public and shareholders of the Company who are entitled to purchase the newly issued ordinary shares in proportion of their respective shareholdings (Pre-emptive Right) (collectively referred to as the “Public”)
 Subscriber

3. General Characteristics of the Transaction

The meeting of Board of Directors of the Company No7/2015-2016 held on 30 September 2016 resolved to agree and approve the Spin-off Plan in which it is expected to complete within the third quarter of 2017. In this regard, KKA will file the application for the offer of its newly issued ordinary shares with the Securities and Exchange Commission (the “SEC”) and will file the application for the listing of its ordinary shares with the SET. The Company will remain a controlling shareholder of KKA in the proportion of not less than 70 percent of the paid-up capital after offering KKA’s newly issued ordinary shares to the Public.

The abovementioned dilution of the Company’s shareholding proportion in KKA from such transaction is fallen under disposition of assets transaction of listed companies pursuant to the Notifications of Acquisition and Disposition of Assets. The calculation of the transaction size based on the Company’s consolidated financial statement for the fiscal year ended 31 October 2015, which was audited by certified auditor, and for the nine-month period ended 31 July 2016, which was reviewed by certified auditor, and KKA’s separated financial statement for the fiscal year ended 31 October 2015, which was audited by certified auditors, and for the six-month period ended 30 April 2016, which was reviewed by certified auditors. Details of the calculation are as follows:

Criteria	Calculation Method
1. Net Tangible Assets (NTA)	= The disposed proportion of the NTA as in KKA’s separated financial statement / NTA as in the consolidated financial statement of the Company = $(1,091.87 \times 0.30) / 13,508.22$ = 2.42 percent
2. Net Profit	= The disposed proportion of the Net Profit as in KKA’s separated financial statement / Net Profit as in the consolidated financial statement of the Company = $(309.19 \times 0.30) / 342.69$ = 27.07 percent
3. Total Value of Consideration	= $(\text{KKA’s book value per share} \times \text{number of offering shares}) / \text{Total value of assets as in the consolidated financial statement of the Company}$ = $((1,093.56 / 61.00) \times (61.00^1 \times (0.30/0.70))) / 37,943.96$ = 1.24 percent

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4. Value of Securities = Not applicable, as the Company does not issue any securities issued by the company

Note: 1 As of 30 April 2016, par value of KKA's ordinary shares is 10.00 Baht per share.

As per the calculation, it results in the largest transaction size of 27.07 percent from Net Profit criteria. As such, this transaction is treated as the type 2 transaction whereby the Company will be obliged to disclose the information memorandum through the SET and prepare the information memorandum to deliver to the shareholders within 21 days from the date on which the above disclosure is made to the SET.

4. Preliminary Details of Disposed Assets

4.1 Details of KKA's Offering of Newly Issued Ordinary Shares

Issue	Details ¹
Issuer	: Khon Kaen Alcohol Company Limited, which KKA has its plan to convert itself to public company regarding to Public Limited Companies Act B.E. 2535 (as amended) and change its company name from "Khon Kaen Alcohol Company Limited" to "KSL Green Innovation Public Company Limited" in the fourth quarter of 2016.
Type of offering securities	: Newly issued ordinary shares of KKA in which no listing status currently occurs in the SET.
Amount of the offering shares	: Not exceeding 30 percent of the paid-up capital of KKA after offering KKA's newly issued ordinary shares to the Public. Such amount of the offering shares include the portion which will be offered to shareholders of the Company who are entitled to purchase the newly issued ordinary shares in proportion of their respective shareholdings.
Par value	: 10.00 Baht per share (Par value may be changed)
Allocation proportion and the record date to determine the list of shareholders for Pre-emptive Right	: Not exceeding 20 percent of offering amounts of KKA's newly issued ordinary shares. The Board of Directors of the Company and/ or the person authorized by the Board of Directors of the Company shall determine the Record Date determining the list of shareholders of the Company who are entitled to Pre-emptive Right, and the Book Closing Date to collect the shareholders' names pursuant to Section 225 of the Securities and Exchange Act B.E. 2535 (as amended). This shall be determined after the approval from the SEC of the IPO of KKA and the Company shall inform the shareholders at least 14 days in advance of the Record Date in accordance with the SET regulations.
Offering Price	: Not determined. In this regard, KKA's offering price to the existing shareholders as per the Pre-emptive Right will be the same price as the public offering price.
Offering Period	: After the SEC approves the IPO of KKA, SEC's application is approved, filing and prospectus are effective, and the SET approves the application to accept KKA's ordinary shares as listed securities with the condition of free float requirement, in which it is expected to complete within the third quarter of 2016.

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Issue	Details ¹
Other details	: The Company will further inform the detail regarding the Spin-off Plan to its shareholders

Note: 1 The abovementioned details may change as appropriated as the Board of Directors of the Company and/ or the person authorized by the Board of Directors of the Company may consider. In this regard, the number of offering shares will not exceed [30] percent of the paid-up capital of KKA after offering of its newly issued ordinary shares to the Public.

4.2 Details of Khon Kaen Alcohol Company Limited

Issue	Details
Company name	: Khon Kaen Alcohol Company Limited (KKA)
Address of the head office	: 503 K.S.L. Tower Building, 17 th floor, Sri Ayudhaya Road, Phayathai, Ratchathewi, Bangkok
Nature of Business Operation	: Producing and distributing Ethanol, which the main raw materials include molasses. Presently, KKA has its 2 Ethanol production plants which are: The plant at Nampong, Khonkaen with total production capacity of 150,000 liter per day The plant at Boploy, Kanchanaburi with total production capacity of 200,000 liter per day
Capital structure	: As of 30 April 2016, the registered capital of KKA is 610,000,000 Baht, which are 61,000,000 ordinary shares at the par value of 10.00 Baht per share. The paid-up capital is 610,000,000 Baht.
The Company's shareholding proportion in KKA	: Prior to the offering of newly issued shares, the Company holds 60,998,560 shares or 100.00 percent stakes of the paid-up shares of KKA as of 30 April 2016. In this regard, after the offering of newly issued shares, the Company will hold stakes in KKA not exceeding 70 percent of the paid-up capital after offering KKA's newly issued ordinary shares to the Public.

Note: As of 30 April 2016, par value of KKA is 10.00 Baht per share. Nevertheless, as of 21 September 2016, The meeting of Board of Directors of KKA resolved to change the par value from 10.00 Baht per share to 1.00 Baht per share, in which KKA will consequently conduct the process regarding to the laws.

4.3 Details of the Board of Directors Structure of KKA as of 21 September 2016

Name	Position in KKA	Shareholding proportion in KKA (shares / percent) ¹	Position in the Company	Shareholding proportion in the Company (shares / percent) ¹
1.Mr. Tatchai Sumitra	Chairman	- None -	- None -	- None -

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Name	Position in KKA	Shareholding proportion in KKA (shares / percent)¹	Position in the Company	Shareholding proportion in the Company (shares / percent)¹
2. Mr. Chamroon Chinthammit	Director	160 / 0.00	Director/ President / Chief Executive Officer	89,982,931/ 2.04%
3. Mr. Pornsin Thaemsirichai	Director	160 / 0.00	Director/ Senior Vice President - Production and Technical	29,390,196/ 0.67%
4. Mr. Chalush Chinthammit	Director / Managing Director	160 / 0.00	Director/ Vice President – Office of MD	43,279,926 0.98%
5. Mr. Chanachai Chutimavoraphand	Director	160 / 0.00	Vice President – Finance and Accounting	113,355,499 2.57%
6. Mr. Theera Sanguandeekul	Director	160 / 0.00	Vice President – Office of MD	1,650,000 0.04%
7. Mrs. Jaruporn Waiyanun	Independent director / Chairman of the Audit Committee	- None -	- None -	- None -
8. Mr. Charoen Prachamthaen	Independent director / Audit Committee	- None -	- None -	- None -
9. Mr. Samerjai Suksumek	Independent director / Audit Committee	- None -	- None -	- None -
10. Miss Nongluck Phinainitisart	Independent director	- None -	Independent director / Audit Committee	- None -

Note: 1 Shareholding proportion in KKA at the par value of 10.00 Baht per share, and in the Company, as of 21 September 2016 and 31 July 2016, respectively.

4.4 Summary of Financial Position and Performance of KKA

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Income Statement

Unit: Million Baht	For the fiscal year ended 31 October (Audited)			For the six-month period ended 30 April (Reviewed)	
	2013	2014	2015	2015	2016
Revenue from Sales	2,384.19	2,446.80	2,578.57	1,304.34	1,042.77
Cost of goods sold	(1,690.97)	(1,814.90)	(2,012.15)	(967.41)	(843.43)
Gross Profit	693.23	631.90	566.42	336.93	199.34
Other income	50.43	37.80	39.88	10.86	10.20
Profit before SG&A Expenses	743.66	669.70	606.30	347.78	209.54
Selling Expenses	(78.17)	(44.14)	(41.20)	(23.27)	(16.37)
Administrative Expenses	(55.53)	(44.05)	(42.84)	(23.64)	(31.65)
Profit Before Interest and Tax	609.96	581.51	522.26	300.88	161.52
Interest	(4.44)	(0.64)	(27.25)	(8.63)	(17.75)
Profit Before Tax	605.52	580.87	495.01	292.25	143.77
Tax	(10.03)	(36.51)	(44.04)	(26.78)	(20.08)
Net Profit	595.49	544.37	450.97	265.47	123.69

Statement of Financial Position

Unit: Million Baht	As of			
	31 October 2013 (Audited)	31 October 2014 (Audited)	31 October 2015 (Audited)	30 April 2016 (Reviewed)
Assets				
Current Assets				
Cash and cash equivalent	12.77	55.17	10.81	14.12
Account receivables on other receivables	175.63	184.83	231.78	381.55
Short-term loans	89.60	135.40	679.77	1.24
Inventory	407.74	481.16	319.67	451.92
Other current assets	4.51	11.55	1.86	19.92
Total current assets	690.27	868.12	1,243.89	868.74
Non-current assets				
Fixed assets	1,558.96	1,564.27	1,540.18	1,511.08
Intangible assets	1.15	0.98	0.81	0.76
Deferred tax assets	-	4.97	1.90	0.93
Other non-current assets	4.25	4.20	4.20	4.20
Total non-current assets	1,564.37	1,574.43	1,547.10	1,516.98
Total assets	2,254.63	2,442.55	2,790.99	2,385.71

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Unit: Million Baht	As of			
	31 October 2013 (Audited)	31 October 2014 (Audited)	31 October 2015 (Audited)	30 April 2016 (Reviewed)
Liabilities and Shareholders' Equity				
Current Liabilities				
Short-term loans from financial institutions	-	-	-	473.00
Account payables and other payables	425.91	964.81	979.80	86.94
Current portion of long-term loans	-	-	200.00	200.00
Tax payable	6.79	21.36	21.11	19.42
Other current liabilities	12.77	19.39	16.56	6.47
Total current liabilities	445.47	1,005.56	1,217.47	785.83
Non-current liabilities				
Long-term loans	-	-	600.00	500.00
Deferred tax liabilities	1.71	-	-	3.96
Employee benefits	2.29	2.80	3.66	2.37
Total non-current liabilities	4.00	2.80	603.66	506.33
Total liabilities	449.47	1,008.36	1,821.13	1,292.16
Shareholders' Equity				
Registered capital	610.00	610.00	610.00	610.00
Paid-up capital	610.00	610.00	610.00	610.00
Retained Earnings				
Legal reserve	15.25	61.00	61.00	61.00
Unappropriated	1,137.09	720.36	256.04	379.73
Other components of Equity	42.83	42.83	42.83	42.83
Total Shareholders' Equity	1,805.17	1,434.18	969.86	1,093.56

The information is based on KKA's separated financial statements for the fiscal year ended 31 October 2013, 2014 and 2015, which were audited by certified auditor, and for the six-month period ended 30 April 2016, which was reviewed by certified auditor.

5. Total Value of Consideration

Total value of consideration will be in accordance with the price for IPO, which has not been determined at the present.

6. Value of Disposed Assets

Total value of disposed assets, newly issued ordinary shares of KKA in which an exchange will be cash paid by subscribers, will be in accordance with the price for IPO, which has not been determined at the present.

7. Criteria to Determine the Total Value of Consideration

The price for IPO has not been determined at the present. The company will determine the price for IPO based on investors' demand.

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8. Expected Benefits from the Transaction

8.1 Benefits to the Company's shareholders

1. The Company's shareholders are entitled to purchase the newly issued ordinary shares in proportion of their respective shareholdings as of the Record Date determining the list of shareholders of the Company who are entitled to Pre-emptive Right, and the Book Closing Date to collect the shareholders' names pursuant to Section 225 of the Securities and Exchange Act B.E. 2535 (as amended).
2. The Company's shareholders will be beneficial as the Company's investment in KKA will more accurately reflect the market value as there will be a market price for reference.
3. The Company's shareholders may decide to invest in the Company or KKA as per their policies.

8.2 Benefits to the Company

1. The Company will reduce the financial burden to make capital support to KKA as KKA will be able to raise fund itself through capital market.
2. The investment in KKA will more accurately reflect the market value as there will be a market price for reference.
3. Management activity in the group will be more efficient as there will obviously be a separation of business structure. As such, KKA's management is able to focus on its core businesses.

8.3 Benefits to KKA

1. KKA will receive the proceeds from IPO.
2. KKA will have additional channels in order to conduct its fundraising in the future which it provides the flexibility to KKA in capital access.
3. KKA's share price will have a market price for reference and liquidity.
4. KKA's reputation will be more strengthened and reputable.

9. Plan on the Use of the Money Received from the Shares Offering

KKA plans to use the capital received from the IPO in the following objectives:

1. For an expansion of KKA's business in the future and/or
2. For repayment of loans from financial institutions and/or
3. For working capital for its business operation

10. Effect of the Spin-Off on the Company and the Company's shareholders

10.1 EPS Dilution/ Control Dilution

KKA's IPO according to the Spin-Off Plan will cause the dilution to the Earnings Per Share ("EPS") or voting rights of the Company in KKA at approximately not exceeding 30 percent of the prior EPS or voting rights. However, KKA will offer the newly issued ordinary shares to the existing shareholders of the Company in proportion of their respective shareholdings (Pre-emptive Right) in order to reduce the effect of such dilution. Moreover, the Company will remain the controlling shareholder of KKA in the proportion of no less than 70 percent of the paid-up capital after offering KKA's newly issued ordinary shares to the Public and KKA will maintain its status as the Company's subsidiary.

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10.2 Price Dilution

As the offering shares are KKA's shares, it is expected that there will be no direct effect to the market price of the Company's ordinary shares (Price Dilution). However, the decrease of shareholding proportion in KKA will dilute the Company's realized profit in KKA.

11. Business Reliance on the Company and Conflict of Interest

The Company will carry out certain essential measures to decrease the reliance between the Company and KKA and eliminate the conflict of interest. Such measures can be summarized as follows:

1. The Company determines the business separation between the Company and KKA in which KKA will operate as the producer and distributor of Ethanol and the Company will not do any business which would compete with current KKA's production and distribution of ethanol business.
2. The Company, in undertaking letter, agrees with KKA as follows:
 - 2.1 The Company agrees not to operate as producer and distributor of Ethanol in which it directly competes against with KKA, in the countries and areas that KKA operate its production and distribution of ethanol businesses as of the date in the undertaking letter.
 - 2.2 The Company agrees that if the Company obtains any offers or gains the chance to operate in downstream business of the producer and distributor of Ethanol, which is currently not operated by KKA, the Company will give the first right of refusal to KKA in such mentioned business. If KKA refuses such offer and chance, the Company will have the right to take such offer and chance in which it will not breach conditions in the undertaking letter.
3. In case the business transaction and other transactions between the Company and KKA are required, the Company and KKA will enter into such transaction by taking into account the necessity and reasonability in doing so and the condition of entering into such transaction will be based on Arm's Length Basis. The Company and KKA will comply with the relevant rules and regulations prescribed by the SEC and the SET.

12. Condition Precedent

1. The shareholders' meeting of KKA approves:
 - 1.1 The conversion into a public company.
 - 1.2 The increase of registered capital by issuing and offering newly issued ordinary shares to the Public.
 - 1.3 Listing of KKA's ordinary shares in the SET.
2. KKA registers the registration of the conversion into public company and the capital increase with the Department of Business Development, Ministry of Commerce.
3. KKA is approved by the SEC to offer newly issued ordinary shares to the Public.
4. Filing and prospectus are effective.
5. The SET approves application to accept KKA's ordinary shares as listed securities with the condition of free float requirement.
6. KKA registers the change in registered capital after offering newly issued ordinary shares to the Public.

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13. Opinion of the Board of Directors of the Company

The Board of Directors of the Company opine that the entering into such transaction is reasonable and should be approved as the issuance and offer of newly issued ordinary shares to

the Public as per the Spin-Off plan will increase the financial strength of KKA, providing that KKA will be able to raise funds in the capital market by itself in order to its support business expansion in the future and will reduce the burden of reliance on the source of fund from the Company.

14. Opinion of the Audit Committee and/or Directors of the Company which is Different from the Opinion of the Board of Directors

-None-

KSL hereby certifies that this information as showed above is true and correct in all respects, with emphasis on the benefits of all shareholders. The purpose of this information memorandum is solely to disclose key information for consideration by KSL shareholders. It is neither an invitation nor an offer to subscribe KKA shares.

Sincerely yours,
Khon Kaen Sugar Industry Public Company Limited