



บริษัท น้ำตาลขอนแก่น จำกัด (มหาชน)
坤敬糖廠有限公司 (大眾)
KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED

(TRANSLATION)

No.057/ 2016

June 24, 2016

Subject: Notification of Connected Transactions
Attention: President of the Stock Exchange of Thailand

Reference is made to the Board of Directors' Meeting No. 5/2016 of KhonKaen Sugar Industry Public Company Limited ("Company") on June 24, 2016 which made a resolution to grant approval for the Company of divestment in Champion Fermentation Company Limited ("Champion Fermentation") to Thai Fermentation Industry Company Limited ("Thai Fermentation"), whereby management is authorized to consider approving and handling further relevant arrangements. Such transaction is considered as a connected transaction to be disclosed to the Stock Exchange of Thailand under the relevant regulation. Details are as follows:

1. Transaction Date
- June 24, 2016

2. Related Parties
- The Company's divestment in Champion Fermentation to Thai Fermentation which is a major shareholder of Champion Fermentation.

3. Relationship
- Some of the directors in the Company also serve as the directors with operational authorities in Thai Fermentation. Therefore, the transaction between the Company and Thai Fermentation of the Champion Fermentation's shares is considered as a connected transaction.

4. General Characteristics of the Transaction
- The Company divestment in ordinary shares of Champion Fermentation total of 65,000 shares, which is considered as 32.50% with value of 84,500,000 Baht to Thai Fermentation.
Remark: Champion Fermentation has registered share of 200,000 shares, with Par 1,000 Baht/share. Therefore, with the registered capital of 200,000,000 Baht. The Company previously invested 73,800,000 Baht, with equity method of 39,300,000 Baht (Q2:2016)

Financial position and Champion Fermentation's performance are summarized in the financial statements.

Unit : Million Baht	FOR THE YEAR ENDED DECEMBER 31, (AUDITED)	
	2014	2015
STATEMENTS OF FINANCIAL POSITION		
CURRENT ASSETS	33.25	143.70
NON-CURRENT ASSETS	230.30	80.30
TOTAL ASSETS	263.55	224.00
LIABILITIES	0.28	0.05
SHAREHOLDERS' EQUITY	263.28	223.95
STATEMENTS OF INCOME		
REVENUES	2.57	3.30
ADMINISTRATIVE EXPENSES	0.20	40.82
INCOME TAX EXPENSES	0.47	-
NET PROFIT (LOSS) FOR THE YEAR	1.90	(37.52)

Champion Fermentation, formally a holding company with investment in Chantaburi Starch Company Limited, Champion Fermentation's main business operation consist of tapioca production. In 2015, Champion Fermentation sold its investment in Chantaburi Starch Company Limited to an unrelated third party. Currently Champion Fermentation's financial position include property investment and land lease for agricultural purposes at Thamuang District, Kanchanaburi Province total of 270 Rai with appraisal value at 80,300,000 Baht in 2013, which is recorded in the financial report. In 2016, Champion Fermentation commissioned an independent third party appraisal group to provided updated asset value at 93,360,000 Baht.

5. Total Value of the Transaction

- Total value of Transaction: 84,500,000 Baht (Eighty Four Million and Five Hundred Thousand Baht Only)
- Basis used to determine the value of transaction: suitability for the valuation with accordance of book value with substitute updated asset value from independent third party appraisal group. Therefore, the offering price is higher than book value and cost acquired previously.
- Total value of Consideration: 84,500,000 Baht (Eighty Four Million and Five Hundred Thousand Baht Only)

6. Transaction Volume

- The Company holds 65,000 Champion Fermentation shares at the amount of 1,300 Baht (One Thousand and Three Hundred) per share, or 84,500,000 Baht (Eighty Four Million and Five Hundred Thousand Baht Only). Such transaction is considered as a connected transaction under the Notification of the Capital Market Supervisory Board Tor.Jor. 21/2008 Re: Criteria regarding Connected Transaction. Based on the latest audited consolidated financial statements of the Company as of April 30, 2016, the total size of such transaction is equivalent to 0.624% of the Company's net tangible assets and, therefore, needs approval from the Board of Directors and disclosure to the Stock Exchange of Thailand pursuant to the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies concerning the Connected Transactions 2003.

7. Opinion of the Board of Directors

- The Board of Directors' Meeting is of the opinion that such transaction will be beneficial to the Company since Champion Fermentation does not have other business transactions, and the offering price is higher than book value and cost acquired previously.

8. Opinion of the Audit Committee which is different from the opinion of the Board of Directors

- None.

The Company hereby reports the information on such connected transaction to the Stock Exchange of Thailand for disclosure to the public.

Sincerely yours,
-Signature-
(Mr. Dhajjai Subhapholsiri)
Company Secretary

Office of Company Secretary and Legal

Telephone 02 642-6230

Facsimile 02 642-6092