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No. CS 139/ 2016

9 December 2016

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

To: President

The Stock Exchange of Thailand

KhonKaen Sugar Industry Public Company Limited would like to inform the SET of the judgment of the Supreme Administrative Court for Tamaka Sugar Industry Company Limited ("Subsidiary"), a Company's subsidiary, on 17 November 2016 as follows.

On 23 January 2006, the Subsidiary 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 Subsidiary's net income in each production season and submitted to the Fund at the total of 28,834,640.39 THB (Twenty Eight Million Eight Hundred Thirty Four Thousand Six Hundred Forty Baht and Thirty Nine Satang). The Subsidiary 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 Subsidiary's case. The Subsidiary filed an appeal to the Supreme Administrative Court on 27 December 2010.

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 Subsidiary. Besides, the Subsidiary is not deemed to pay the amount voluntarily. Therefore, the Board and the Fund must return the paid amount to the Subsidiary in the total of 28,834,640.39 THB (Twenty Eight Million Eight Hundred Thirty Four Thousand Six Hundred Forty Baht and Thirty Nine 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 (17 November 2016). The Board and the Fund are also ordered to return the court's fee paid by the Subsidiary at both trial and appeal to the Subsidiary.

Please be informed accordingly.

Sincerely yours,

*-Signature-*

(Mr. Dhajjai Subhapholsiri)



Company Secretary

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