

**Minutes of 2015 Annual General Meeting, 1/2016  
Khon Kaen Sugar Industry Public Company Limited**

**Friday, February 26, 2016**

**Kamolthip Room, 2<sup>nd</sup> Floor, The Sukosol Hotel  
No. 477 Sriayudhaya Road, Ratchathewi, Bangkok**

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The meeting commenced at 9:35 AM.

Mr. Manu Leopaiprote is the Chair of the meeting.

The Chair reported that there were 209 shareholders physically present and 203 shareholders' proxies attending the meeting making the total of 412 shareholders representing 3,192,911,868 shares. Hence, there are more than 25 shareholders and shareholders' proxies and the total number of shares represented account for 79 percent, which is more than one third of the 4,009,312,407 total corporate shares that had been purchased and met the Company's quorum requirement. The Chair proceeded with the opening of the 2015 Annual General Meeting, 1/2016.

Directors and executives present at the meeting:

- |                                      |  |
|--------------------------------------|--|
| 1. Mr. Manu Leopaiprote              | Chairman of the Board of Directors and Independent Director                    |
| 2. Mr. Prapas Chutimavoraphand       | Director   |
| 3. Mr. Pornsin Thaemsirichai         | Director and Senior Vice President - Production and Technique                  |
| 4. Mr. Sitti Leelakasemrurk          | Independent Director and Chairman of the Audit Committee                       |
| 5. Mr. Sukhum Tokaranyaset           | Director and Senior Vice President - Accounting and Finance                    |
| 6. Mr. Thawatchai Rojanachotikul     | Director and Senior Vice President - Administration                            |
| 7. Mrs. Intira Sukhanindr            | Director and Vice President- Business Development                              |
| 8. Ms. Duangdao Chinthammit          | Director and Vice President - Human Resources                                  |
| 9. Mr. Pramoon Vichiensin            | Independent Director and Chairman of the Nomination and Remuneration Committee |
| 10. Pol. Lt. Gen. Boonpen Bumpenboon | Independent Director /Chairman of the Risk Management Committee                |
| 11. Ms. Nongluck Phinainitisart      | Independent Director   |
| 12. Mr. Warapatr Todhanakasem        | Independent Director/ Chairman of the Corporate Governance Committee           |
| 13. Mr. Karun Kittisataporn          | Independent Director   |
| 14. Mr. Chalush Chinthammit          | Director and Assistant Vice President – Raw Material Procurement               |
| 15. Mr. Somchai Chinthammit          | Director and Assistant Vice President – President's Office                     |
| 16. Ms. Duangkae Chinthammit         | Director and Assistant Vice President – President's Office                     |
| 17. Mr. Chattri Chinthammit          | Director   |
| 18. Mr. Somchat Chinthammit          | Director   |
| 19. Mr. Tachpong Pakornsiriwongse    | Director   |
| 20. Mr. Trakarn Chunharojrit         | Director   |

Director requesting a leave of absence from the meeting:

- |                             |  |
|-----------------------------|--|
| 1. Mr. Chamroon Chinthammit | Chief Executive Officer and President (Sick Leave) |
|-----------------------------|--|

Persons participating in the meeting:

- |                                   |   |
|-----------------------------------|---|
| 1. Mr. Chanachai Chutimavoraphand | Vice President- Accounting and Finance                                    |
| 2. Mr. Dhajjai Subhapholsiri      | Vice President – Company Secretary and Legal Office/<br>Company Secretary |

Auditors from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

1. Mr. Niti Juangsidniran
2. Ms. Chanthira Chantrachaiyachoti
3. Mrs. Pornthip Lertanongsak

The Vice President- Company Secretary and Legal Office (Mr. Dhajjai Subhapholsiri) informed the shareholders of meeting format and voting rules as follows:

1. The meeting is recorded on audio and video media, and may be used by the Company as evidence.
2. Documents used in the 2015 Annual General Meeting, 1/2016, were posted on the corporate website, and the Stock Exchange of Thailand was informed regarding the matter on January 26, 2016.
3. Through the corporate website, the Company had invited all shareholders to propose meeting agenda items and nominate qualified individuals for the director election, from October 1, 2015 to December 31, 2015. However, neither proposals for director nominees nor meeting agenda items were submitted to the Company.
4. Procedure for counting votes cast by shareholders:
  - (4.1) Vote Casting:
    - 1) Voting shall be done openly. One share shall represent one vote. The AGM resolution shall consist of the following votes:
      - In ordinary circumstances, the majority of votes cast by shareholders attending the meeting and eligible to vote shall be deemed as a resolution. In the case of a tie, the Chair of the meeting shall cast the final vote.
      - In other circumstances where the law or Company's regulations prescribe differently from ordinary circumstances, the proceedings shall be in accordance to such prescriptions. The Chair shall inform the shareholders before voting on each of the particular agenda items.
    - 2) For each agenda item, a shareholder shall be entitled to either cast an approval vote or disapproval vote, or to abstain from voting. A share shall not be divided for casting different votes.
    - 3) For proxy voting, proxies shall cast votes as defined by the proxy grantors in proxy forms only.

(4.2) Vote Counting: To save time and in accordance with normal meeting procedure, if no shareholder cast a disapproval vote or abstain from voting then the meeting shall consider the agenda approved. When a shareholder wishes to cast a disapproval vote or abstain from voting for a particular agenda, he/she must raise his/her hand and cast his/her vote in an appropriate form provided by relevant personnel. The company will count the votes by deducting the disapproval vote and the abstain vote from the total number of votes (shares) present at the meeting.

It should be noted that the company will count the vote for each agenda item based on the number of shareholders (and their relevant number of votes) present at the time each agenda is reviewed at the meeting. The total number of votes for each agenda will differ as shareholders join or leave the meeting hall. After everyone casted their votes, the company will count and report the results immediately.

To ensure compliance with good practice for shareholders' meetings of listed companies, during vote counting in this meeting the following representatives were asked to serve in the meeting committee and as witnesses to the counting:

- |                               |  |
|-------------------------------|--|
| 1. Mrs. Pornthip Lertanongsak | Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd |
| 2. Mr. Sermkiat Sangarnruang  | Representative of shareholders                 |

(4.3) Announcement of Voting Results

The voting results will be announced for each agenda. In case there are delays in counting the vote for a particular agenda, the Chair will proceed to the next meeting agenda and announce the voting result of the previous agenda as soon as it becomes available.

5. In case a shareholder wishes to make an inquiry, he/she must raise his/her hand. Once the Chair of the meeting invite the shareholder to make the inquiry or comment, he/she should inform his/her full name for the meeting record.
6. Please be informed that the invitation to visit the New Krung Thai Sugar Factory at BoPloy district, Kanchanaburi province (Bio-Refinery Complex) for the year 2016 has been sent to shareholders by mail along with the invitation to the Annual General Shareholder meeting. Shareholders who are interested in participating on this one day trip on Friday 18 March 2016 must sign and return the form to the company. In the event that there are more shareholders interested in visiting the factory than the company had planned for, the company will randomly select the shareholders who had not visit the factory before and send a letter of confirmation for selected shareholders.

The Chair requested that the meeting begin considering various matters according to the meeting agenda as follows:

**Agenda 1: To Acknowledge the Operating Results of the Company for the Year 2015**

The Chair informed the meeting that the Chief Executive Officer and President is ill and cannot attend today's meeting.

The Chair asked the Vice President- Company Secretary and Legal Office (Mr. Dhajjai Subhapholsiri) to present section 1 and 3 of the operating result and VP of Raw Material Procurement (Mr. Chalush Chinthammit) to present section 2.

**Section 1: The Implementation of the Annual General Meeting of Shareholders for the Year 2014, No. 1/2015 on February 27, 2015**

Vice President- Company Secretary and Legal Office (Mr. Dhajjai Subhapholsiri) presented the implementation of the Annual General Meeting of Shareholders for the Year 2014, No. 1/2015 on February 27, 2015 as follows:

**Agenda 1: To adopt the Minutes of the 2013 Annual General Meeting of Shareholders.**

The meeting adopted the Meeting Minutes

**Agenda 2: To acknowledge the Operating Results of the Company for the year 2014**

The meeting acknowledged

**Agenda 3: To consider and approve the audited statement of financial position and profit and loss statements for the year ended October 31, 2014**

The meeting approved.

**Agenda 4: To consider and approve the reduction of the unpaid registered capital and the amendment of the Memorandum of Association**

The meeting approved. The Company completed the reduction of the unpaid registered capital from 1,835,900,000 Baht to 1,670,546,884 Baht divided into 1,670,546,884 shares and amended the Memorandum of Association accordingly.

**Agenda 5: To consider and approve the change of registered par value from 1.00 Baht to 0.50 Baht and the amendment of the Memorandum of Association**

The meeting approved. The Company completed the change of registered par value from 1.00 Baht to 0.50 Baht and the amendment of the Memorandum of Association. Hence, the registered capital of 1,670,546,884 Baht is equal to 3,341,093,768 shares.

**Agenda 6: To consider and approve the allocation of profit for dividend payment and legal reserve**

The meeting approved. The Company paid dividend in the form of cash and share dividend. The cash dividend is 0.0811111111 Baht/ shares. The share dividend is paid from the total paid-up 3,341,093,768 shares and at the ratio of 5 existing shares to 1 new share of par value 0.50 Baht. The

total share dividend paid is not exceeding 668,218,754 shares or value at 334.11 Million Baht (0.10 Baht/ share dividend). In case a shareholder holding less than 5 existing shares, the Company shall pay dividend in cash of 0.10 Baht per share. In total, the dividend payment in forms of cash and shares is 0.1811111111 Baht per share. All dividend payment has been paid withholding tax as prescribed by law.

Agenda 7: To consider and approve the increase of capital to accommodate the share dividend and the amendment of the Memorandum of Association.

The meeting approved. The Company completed the increase of capital to accommodate share dividend payment and amend the Memorandum of Association as follows:

Previously: 1,670,546,884 Baht of registered capital equals to 3,341,093,768 shares at par value of 0.50 Baht by issuing 668,218,754 new ordinary shares (capital increase of 334,109,377 Baht).

Presently: The Company's registered capital 2,004,656,261 Baht or total of 4,009,312,522 shares at par value 0.50 Baht (all ordinary shares).

(The Company completed agenda 4-7 and then informed the Stock Exchange of Thailand on March 5, 2015).

Agenda 8: To consider and approve the allocation of ordinary shares to accommodate the share dividend

The meeting approved. The Company paid dividend in forms of cash and share dividend according to the meeting's approval on March 27, 2015 and allowed share dividends to be traded from April 2, 2015.

Agenda 9: To elect directors in replacement of those whose terms have ended.

The meeting re-elected 7 directors whose terms have ended for another term.

Agenda 10: To consider and approve directors' remunerations

The meeting approved. The Company proceeded to pay remuneration to directors according criteria specified by the meeting:

1. Remuneration for Chairman – not exceeding THB540,000 per year
2. Remuneration for Chairman of the Audit Committee – not exceeding THB540,000 per year
3. Remuneration for Director – not exceeding THB540,000 per year
4. Meeting allowances for Chairman of other committees attending – 7,200 THB/ meeting
5. Meeting allowances for committee members attending – 6,000 THB/ meeting

Agenda 11: To consider and approve the appointment of auditor and audit fee for the year 2015

The meeting approved. The Company appointed Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd as auditor for the year 2015 at the fee of 2,290,000 Baht.

Agenda 12: To consider and approve the cancellation of non-issued debt instruments which was approved by the Meeting of Shareholders No. 1/2013 and the issuance and offering of debentures and bonds which are securities according to the Securities and Exchange Act with a total value not exceeding THB 20,000 million.

The meeting approved. The Company cancelled non-issued debt instrument and issued and offered debentures and bonds of total value not exceeding THB 20,000 Million.

Section 2: Operating Result for the Year 2015 of Khon Kaen Sugar Industry Public Company Limited and subsidiaries

Vice President - Raw Material Procurement (Mr. Chalush Chinthammit) informed the meeting that the Company's vision and mission are as follows:

Vision:

We are natural energy innovation for all

Mission:

1. To increase sustainable income for the cane-grower by maximizing efficiency and effectiveness of cane growing technology
2. To develop technology to increase production efficiency and effectiveness
3. To create mutual benefits amongst stakeholders
4. To develop co-product industry by fully maximizing resource utilization

Business Structure of Khon Kaen Sugar Industry PCL, subsidiaries, and affiliates

1. Sugar Business – five sugar factory in Thailand, crushing capacity of over 100,000 tons/ day
2. Power and Chemical – 3 Power plants, 2 Ethanol Plants
3. Support Businesses – Port terminal, warehouse, export company
4. Others – tapioca flour mill, palm oil distillery, office for rents and other real estate

The operating results of 5 sugar factories in Thailand see a total of 8,749,389 tons of canes crushed. Sugar factory at Nampong district, Khon Kaen province crushed 2,657,566 tons cane, 2) sugar factory at Wangsapong district, Loei province crushed 1,716,143 tons cane, 3) sugar factory at Tamaka district, Kanchanaburi province crushed 1,625,167 tons cane, 4) sugar factory at Boploy district, Kanchanaburi province crushed 2,399,807 tons cane, and 5) sugar factory at Panasnikom district, Chonburi province crushed 350,706 tons cane. In total, the volume of cane crushed this year increased by 3% compared to the year 2014.

The sugar business aboard, namely in Laos and Cambodia crushed a total of 276,563 tons of cane, representing a 9% increased in cane crushing volume compared to the year 2014.

In 2015, the price of sugar continues to decrease mainly from the following reasons:

1. Over supply of sugar that see production exceeding consumption for 5 consecutive years.
2. The devaluation of Brazilian real that weaken by 49% from 2.66 real/usd in 2014 to 3.96 real/usd.
3. Short sales of forward contract of sugar by funds

However, in 2016, the Company expects sugar price to come back up to about 15 cents/pounds as there are greater demand for sugar and what will be produced.

For ethanol business, KSL's ethanol sales volume increased to 97 million liters or about 5% compared to 2014 which sold about 92 million liters.

For electricity business, the amount of electricity sold to EGAT is about 300,292 MW-Hrs is less than the total sold in 2014 at 324,099 MW-Hrs due to major repair work at the power plant in Boploy district, Kanchanaburi province.

#### Future Business Plan:

1. The Company received permission to increase its sugar factory's cane crushing capacity at Wangsapong district, Loei province from 18,000 tons to 35,000 tons/ day.
2. The Company received permission to increase its sugar factory's cane crushing capacity at Nampong district, Khon Kaen province from 35,000 tons to 40,000 tons/ day.
3. The Company has a plan to increase ethanol production capacity at Nampong district, Khon Kaen province from 150,000 to 350,000 liters/day.

Currently, this future business plan is under feasibility studies.

#### Section 3: Corporate Social Responsibility

Vice President- Company Secretary and Legal Office (Mr. Dhajjai Subhapholsiri) presented KSL's CSR activities that focused on communities around KSL's factories with the aims to create mutual benefits and improve quality of life for everyone in surrounding areas. Examples of our CSR activities are as follows:

1. Factory waste management according to 3Rs, awarded by the Department of Industrial Works, Ministry of Industry.
2. Water protection and treatment awarded by the Department of Industrial Works, Ministry of Industry.
3. 70 Year KSL, 70 Sufficiency Programs – The program started in 2012 with target completion in 2015 when KSL group will celebrate its 70<sup>th</sup> anniversary. The objective of the program is to spread sufficiency economy principles and practices to local communities through many different activities. The Company focused on building sufficiency economy learning centers for different community groups such as home/village, school, and temples (Borvarn) totaling to 70 centers around the factories that we operate. The training at the centers emphasized on land management using new agricultural theory that shall be suitable for owner's life and profession. For example, growing cane is a main profession while growing rice, vegetable, and raising farm animals provide the family with food and generate extra income. The members of the learning centers also learn simple accounting and to make their own household products, thus able to keep record of their income and lessen their expenses. In 2016, the Company plans to continue our support to all 70 centers.

4. The Company values education for youth, especially those from the cane growing families. The Company joined hands with the Nation Group and donated a total of 2,136 new school books appropriate for primary to secondary school students in 8 different schools near our factories in Khon Kaen province and Kanchanaburi province.
5. The Company joined 5 other leading public companies and invested in “Long Tun Soon Tarn” Fund, a philanthropic investment fund managed by TISCO that aims the use of investment returns to fund the Company’s CSR programs and other long term corporate philanthropic projects.

Vice President- Company Secretary and Legal Office (Mr. Dhajjai Subhapholsiri) also informed the meeting of the Company’s progress on anti-corruption. The Company had announced its intention to join anti-corruption coalition on September 26, 2014 that was formally accepted by the Chairman of the Collective Action Coalition Against Corruption Council on October 3, 2014. The Company had made improvements to its corporate governance and business ethics manual since June 27, 2015. Presently, the Company is in the process of conducting a self-evaluation on 71 items of anti-corruption measures. The Company hired an expert recommended by the Collective Action Coalition to help the Company in the planning, amendment, addition, and improvement to the Company’s regulation and code of conduct so that they are in line with the requirement set by the Coalition. Once completed, the Company aims to submit it to the Council for consideration in September, 2016.

Mr. Sathaporn Phangniran (minor shareholder) made an observation relating to Company’s regulation (33)<sup>1</sup> that states “for the meeting to consider the Board of Director’s report on the Company’s operating result in the last fiscal year” but here the meeting is asked only to be informed of last fiscal year result and not to vote accept or reject, this can cause conflict with the Company’s regulation and depriving the shareholder’s rights to vote on this particular agenda.

The Chair explains that for this agenda, to consider means to be informed of last fiscal year operating result without having to vote on the agenda since the Company implemented all that the shareholders had voted approved during the last meeting. In any case, the shareholder can make inquiry and express their opinions relating to the performance of the last fiscal year.

Mr. Veera Chaimanowong (minor shareholder) asked whether there are sufficient volume of bagasse and molasses for the Company’s own production of electricity and ethanol and for sales to external customers? And what are the factors that influence ethanol pricing? What is the future business plan for the Company’s sugar business abroad?

Vice President - Raw Material Procurement (Mr. Chalush Chinthammit) explains that the Company first estimates the volume of cane to be crush for the production season and then make production plans for ethanol and electricity based on estimated volume of molasses and bagasse. The Company may purchase additional raw materials in small quantity to support the production. Campaigns that encourage the use of ethanol is an opportunity for Thailand to use local materials



to make fuels for domestic use. Ethanol production also generate additional income for domestic farmers. For sugar business aboard, the Company managed to steady production costs but the selling price depends on the world sugar price which is highly volatile. In 2016, the Company estimates that the sugar price will be back on the rise, which should help improve the operating result of our sugar business aboard. Overall, investment in sugar business aboard should be good for the future as it is increasingly more difficult to get large concession land for sugar factory.

The Chair said that ethanol is mixed with benzene will lower the cost of car fuel compared to those made by mixing benzene with Methyl Tertiary Butyl Ether (MTBE), an imported chemical, used to adjust octane quantity in fuel. The cost of importing MTBE is about 3,000-4,000 million THB and also caused pollution in the air. Mixing ethanol in benzene greatly reduce pollution released, as well as generate extra income for local farmers and lessen expenses on import of MTBE.

Mr. Patchara Kaewnukul (minor shareholder) asked whether it will be necessary to continue using ethanol any more if the price of oil keeps dropping lower?

The Chair said that ethanol will still be a needed source of energy even if the price of oil drops very low as one day we will run out of oil whereas ethanol is a source of energy that is from plant and can be grown and continuously manufactured. Ethanol can also be used as raw material for other products.

The representative of Thai Investor Association (Miss Rungsri Jiranaikajorn) suggested that the Chair proceeds through all the agendas of the meeting more quickly with shareholders holding questions not related to each agenda until the end.

The meeting acknowledged the Operating Results of the Company for the Year 2015.

**Agenda 2: To consider and approve the audited statement of the financial position and profit and loss statements for the year ended October 31, 2015.**

The Chair informed the meeting that, in accordance with the Public Limited Company Act B.E 2535 (1992), the Company had made an annual financial report for the year ending October 31, 2015 that was audited and certified by appointed accountant and approved by the Audit Committee and Board of Directors, details as shown in the annual report which had been sent to the shareholders in advance. The Chair asked the Vice President of Accounting and Finance (Mr. Chanachai Chutimavoraphand) to present the financial statements.

The Vice President - Accounting and Finance (Mr. Chanachai Chutimavoraphand) reported to the meeting for consideration the details of balance sheet, profit and loss statements of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries as follows:

	Consolidated financial statement		Separated financial statement	
	Year 2015	Year 2014 (restated)	Year 2015	Year 2014 (restated)
Total assets	THB 40,176 Million	THB 40,134 Million	THB 25,519 Million	THB 21,871 Million
Total liabilities	THB 24,688 Million	THB 25,301 Million	THB 17,599 Million	THB 14,494 Million
Total revenues	THB 18,866 Million	THB 19,185 Million	THB 8,370 Million	THB 8,668 Million
Profit before interest and income tax expenses	THB 1,891 Million	THB 2,729 Million	THB 1,317 Million	THB 1,667 Million
Net profit	THB 815 Million	THB 1,626 Million	THB 820 Million	THB 1,190 Million
Earnings per share	THB 0.203	THB 0.487	THB 0.205	THB 0.356

Mr. Rithichai Yipcharoen (a minor shareholder) asked how does the drop in world sugar price affects the sugar business and what is the breakeven point of world sugar price? If the price drops further, the Company will experience loss.

The Vice President - Accounting and Finance (Mr. Chanachai Chutimavorphand) explained that the operating result for sugar will depends on the price of raw material that is cane. In Thailand, the price of cane is tied to the price of world sugar price according to the 70:30 profit sharing scheme. If the world price of sugar reduced, the price of cane will also be reduced proportionately. Accordingly, even if the world sugar price falls to 10 cents/ lbs, the sugar business in Thailand will still be profitable (before interest and tax deductions) as oppose to sugar business in other countries like Laos and Cambodia where this profit sharing system is not in place. In these countries, we grow the majority of our cane. Cane usually takes 1 year to grow enough for cultivation. The expenses for growing cane are paid in advance and fixed not like the price of cane in Thailand that fluctuate with the world sugar price. Hence, in the last year, the price of sugar has fallen much lower than before from 18-19 cents/lbs to 13 cents/lbs while the costs remains the same, causing operational loss in our sugar businesses aboard.

Mr. Veera Chaimanowong (a minor shareholder) asked for more details of the sugar fund's fee and the Company's management policy on debt to equity ratio?

Mr. Sathaporn Phangniran (a minor shareholder) asked whether the Company has a shutdown point for its sugar operation in Laos and Cambodia similar to the practice in oil business? Or will the Company produce sugar and emphasize on selling domestically? He observed that the Company incurred higher management cost by 19 percent and management remuneration also gone up by 2 percent.

The Vice President - Accounting and Finance (Mr. Chanachai Chutimavorphand) explained that the sugar fund's fee is an expense the Company must pay to the Office of the Cane and Sugar Fund. The

fee is calculated based on the volume of sugar sold domestically, at a little over 5 THB/ kg. The objective of the fund is to help cane growers by keeping the cane price higher when the world sugar price falls so low it does not cover the cost of growing cane.

As for the debt to equity ratio, the Company tries to manage it not over 2 times that is the normal contractual agreement with the debt contract. The appropriate level should be 1.5 times.

In regards to shut down point for sugar factories abroad, it should be recognized that sugar business is not like other business that shut down their operation immediately. In our sugar business abroad, the majority of the expense of growing cane is paid one year in advanced. If the Company stop production, it will incurred more losses and if we stop growing cane and the world price of sugar bounce back on the rise, we will lose opportunity. Hence, it is difficult to shut down production when the Company is experiencing losses. Nonetheless, the Company had considered ways to reduce the effects of fluctuation of world sugar price by focusing more on selling sugar domestically which gives high premium and save on transportation and export costs.

The higher management costs mostly come from losses in the exchange rates, about 100 million THB that is normal in the situation that the THB is on the weak trend. The losses come from try to reduce risk on exchange rates.

The management remuneration has two parts. One is remuneration for directors which is still kept at the same rate as the year before, and one is remuneration for managers that is adjusted to meet the current labor market price and also hiring new employees to help the Company with other future investment and expansion projects.

There were no further questions from the shareholders. The Chair asked the shareholders to cast their vote for Agenda 2 which must have the majority of vote from shareholders present and voting. The abstain vote will not be counted.

**The meeting resolution:** The meeting adopted the balance sheets and profit and loss statements for the year ending October 31, 2015 with the majority votes cast by the shareholders who attended the meeting and voted.

Approved:	3,192,780,108 votes	99.9997%
Disapproved:	8,760 votes	0.0003%
Abstained from voting:	123,000 votes	-

**Agenda item 3: To consider and approve the reduction of registered capital and the amendment of the Memorandum of Association**

The Chair asked Vice President- Company Secretary and Legal Office (Mr. Dhajjai Subhapholsiri) to present this agenda's details.

Vice President- Company Secretary and Legal Office (Mr. Dhajjai Subhapholsiri) informed the meeting that the Company reduced the registered capital remaining from allocation of share dividend from increased capital in pursuant of the resolution of the 2014 AGM, No. 1/2015 dated February 27, 2015, the amount of 115 shares of par value 0.50 Baht and is now required to reduce the registered capital inclusive of these 115 shares from the original registered capital was 2,004,656,261 Baht to 2,004,656,203.50 Baht as well as making relevant amendment to the Memorandum of Association as follows:

“Item 4.       Registered Capital 2,004,656,203.50 Baht  
                   Number of Shares 4,009,312,407       Shares  
                   Par Value                               0.50 Baht

Divided Into

Ordinary Shares   4,009,312,407       Shares  
 Preferred Shares       ---               Shares”

There were no other questions from shareholders. The Chair asked the shareholders to consider and vote on Agenda 3. This agenda requires no less than three-fourths (3/4) of the votes of the shareholders who attend the meeting and have voting rights.

**The meeting resolution:** The meeting approved the reduction of registered capital and the amendment of the Memorandum of Association as follows:

To reduce the registered capital remaining from allocation of share dividend from increased capital in pursuant of the resolution of the 2014 AGM, No. 1/2015 dated February 27, 2015, the amount of 115 shares of par value 0.50 Baht and is now required to reduce the registered capital inclusive of these 115 shares from the original registered capital was 2,004,656,261 Baht to 2,004,656,203.50 Baht as well as making relevant amendment to the Memorandum of Association as follows:

“Item 4.       Registered Capital 2,004,656,203.50 Baht  
                   Number of Shares 4,009,312,407       Shares  
                   Par Value                               0.50 Baht

Divided Into

Ordinary Shares   4,009,312,407       Shares  
 Preferred Shares       ---               Shares”

The meeting approved this agenda with votes not less than three-fourths (3/4) of the votes of the shareholders who attend the meeting and have voting rights.

Approved:	3,192,791,868 votes	99.9962%
Disapproved:	120,000 votes	0.0038%
Abstained from voting:	- votes	0%

**Agenda 4: To consider and approve the allocation of profit for dividend payment and legal reserve**

The Chair requested Vice President - Accounting and Finance (Mr. Chanachai Chutimavoraphand) to present the details to the meeting.

The Vice President - Accounting and Finance (Mr. Chanachai Chutimavoraphand) stated that the Company's dividend payment policy required the Company to distribute dividends of not less than 50 percent of the net profit of the separate financial statements after deducting tax expenses and legal reserves. The payment would be made if there were no other necessary reasons prohibiting it and if the dividend payment did not significantly affect the Company's normal business operations. Examples of factors considered before dividend payment was made included the Company's operating results, financial standing, liquidity and expansion plans. The dividend payment shall be approved by the Company's shareholders and/or the Board of Directors. For dividend payments from subsidiaries companies to Khon Kaen Sugar Industry Public Company Limited will depends on the liquidity, cash flow, and the need to use cash of each business without any set minimum.

According to the Company's operating results and financial standing in 2015, Khon Kaen Sugar Industry Public Company Limited's net profit is THB 820,198,488 (separate financial statements). The Board of Directors deems it appropriate to make dividend payment in the forms of cash and dividend shares for the Year 2015 in the ratio of 0.1055555556 THB or 51.60% of net profit in separate financial statement or equal to 51.90% of net profit in consolidated financial statement. The dividend payment shall be paid from net profit in 2015 and from the Company's accumulative profit which bears 0 percent tax of net profit which depends on the Company's policy to pay dividend not less than 50 percent of the net profit of separated financial statement less tax and legal reserve. Therefore, the Company considers to pay dividend in form of cash and shares for the year 2015.

Details of dividend payment are as follows:

- Cash dividend per share is 0.0555555556 Baht, totaling of the amount not exceeding 222.740 Million Baht.
- Share dividend paid from the total paid-up 4,009,312,407 shares at the ratio of 10 existing shares to 1 new share of par value 0.50 Baht, totaling of the amount not exceeding 400,931,241 shares at the value not exceeding 200.466 Million Baht, share dividend per share being 0.05 Baht. In case a shareholder holding less than 10 existing shares, the Company shall pay dividend in cash of 0.05 Baht per share.

Total dividend payment in form of cash and share is 0.1055555556 Baht per share and it will be deducted for withholding tax as prescribed by law. The dividend payment shall be made on March 25, 2016.

The record date for shareholders entitled to dividend shall be March 10, 2016 and the closing date for share registration according to Section 225 of the Securities and Exchange Act B.E. 2535 shall be March 11, 2016. The dividend payment shall be made on March 25, 2016. (The share dividend shall be tradable when SET accepts them as registered share.)

The Company allocates the profit in the amount of 20,046,200 Baht as legal reserves so as that it is not less than ten percent of the registered capital after the increase of capital to 2,205,121,824 Baht. The legal reserve after the allocation becomes 220,512,200 Baht.

#### Summary of Dividend Payment from Year 2013-2016

Details of Dividend Payment	2015	2014	2013
1. Net profit (million Baht) of consolidated financial statement	815	1,626	1,661
2. Net profit (million Baht) of separated financial statement	820	1,190	1,127
3. Volume of Shares	4,009,312,407	3,341,093,768	1,671 (million)
4. Dividend per share (Baht : share)	0.1055555556	0.1811111111	0.35
5. Total dividend payment (million Baht)	423.21	605.11	584.69
6. Percentage of dividend to net profit (percent of consolidated financial statement)	51.90	37	35
7. Percentage of dividend to net profit (percent of separated financial statement)	51.60	51	52
8. Legal reserve (million Baht)	20.046	13.446	-

Mr. Sathaporn Phangnirun (a minor shareholder) asked what percentages will the proposed dividend payment plan affects the value of share price in Q2/2016?

The Vice President of Accounting and Finance (Mr. Chanachai Chutimavoraphand) explains that for the 2015 share dividend, there is a dilution effect that will result in decreased earnings per share. In theory, the share price will fall by 10 percent. However, the decrease in the Company's share price is not only because dilution effect but also due to investor's perception. Within the last year, sugar, like other commodity products are in the downward trend, coupled with global economic slowdown, makes investors delay their investment activities.

There were no other questions from shareholders. The Chair asked the shareholders to consider the agenda and vote. This agenda require majority of votes from the shareholders who attend the meeting and have voting rights. Abstain vote will not be included.

**The meeting resolution:** The meeting approved the allocation of profit for dividend payment for the year 2015 in forms of cash and share dividend. Cash dividend will be paid at 0.0555555556 Baht/share or not more than 222.740 million Baht in total. Share dividend is paid at the ratio of 10 existing shares to 1 new share of par value 0.50 Baht, (In case the shareholder has less than 10 existing shares, the Company shall pay the shareholder a dividend in cash in the amount of 0.05 Baht per share), totaling to 400,931,241 shares at the value amount not exceeding 200.466 million Baht, or 0.05 Baht per share dividend. The total dividend payment in form of cash and share is 0.1055555556 Baht per share or equivalent of 423.21 million Baht in dividend payment, or 51.60 percent of the net profit of separated statement (equal to 51.90 of net profit of consolidated financial statement).

The dividend shall be paid from net profit in 2015 and accumulated profit of the Company which bears 0 percent tax of net profit which depends on the Company's policy to pay dividend not less than 50

percent of the net profit of separated financial statement less tax and legal reserve. All dividends shall bear withholding tax as prescribed by law.

The record date for shareholders entitled to dividend shall be March 10, 2016 and the closing date for share registration according to Section 225 of the Securities and Securities Exchange Act B.E. 2535 shall be March 11, 2016. The dividend payment shall be made on March 25, 2016. (The share dividend shall be tradable when SET accepts them as registered share.)

The meeting also approved the allocate the profit in the amount of 20,046,200 Baht as legal reserve so as that the legal reserve is not less than ten percent of the registered capital after the increase of capital in agenda 5 to 2,205,121,824 Baht. The legal reserve after the allocation shall become 220,512,200 Baht.

The meeting approved this agenda with majority of votes of the shareholders who attend the meeting and have voting rights.

Approved:	3,192,791,868 votes	100%
Disapproved:	480 votes	0.0%
Abstained from voting:	- votes	-

**Agenda 5: To consider and approve the increase of capital to accommodate the share dividend and the amendment of the Memorandum of Association**

The Chair asked Vice President – Company Secretary and Legal Office (Mr. Dhajjai Subhapholsiri) to present the details of the agenda.

Vice President – Company Secretary and Legal Office (Mr. Dhajjai Subhapholsiri) presented to the meeting that due to agenda 4 that shareholders approved dividend payment, the Company has to issue new ordinary shares not exceeding 400,931,241 shares. The Company submits for consideration and approval for the increase of registered capital from 2,004,656,203.50 Baht to 2,205,121,824 Baht by issuing new ordinary shares of 400,931,241 shares at the registered par value of 0.50 Baht in the amount of 441,024,364.8 shares and the amendment of the Memorandum of Association to be consistent with the increase of registered capital.

“Item 4.	Registered Capital	2,205,121,824	Baht
	Number of Shares	4,410,243,648	Shares
	Par value	0.50	Baht
	Divided into		
	Ordinary Shares	4,410,243,648	Shares
	Preferred Shares	–	Shares”

There were no other questions from shareholders. The Chair asked the shareholders to consider and vote on Agenda 5. This agenda requires no less than three-fourths (3/4) of the votes from the shareholders who attend the meeting and have voting rights.

**The meeting resolution:** The meeting approved the increase of registered capital to accommodate the share dividend payment from original registered capital of 2,004,656,203.50 Baht to new registered

capital of 2,205,121,824 Baht by issuing new ordinary shares in the amount of 400,931,241 shares at par value of 0.50 Baht with no less than three-fourths (3/4) of the votes of shareholders who attend the meeting and have voting rights.

Approved:	3,192,791,868 votes	99.9951%
Disapproved:	157,920 votes	0.0049%
Abstained from voting:	0 votes	0

**Agenda 6: To consider and approve the allocation of ordinary shares to accommodate the share dividend**

The Chair asked Vice President – Company Secretary and Legal Office (Mr. Dhajjai Subhapholsiri) to present the details of the agenda.

Vice President – Company Secretary and Legal Office (Mr. Dhajjai Subhapholsiri) present to the meeting that in order to pay dividend in form of dividend share at the ratio of 10 existing shares to 1 new share at par value 0.50 Baht, in total not exceeding 400,931,241 share dividend, the Company has to issue new ordinary shares not exceeding 400,931,241 shares to allocate as share dividend to shareholders.

There were no other questions from shareholders. The Chair asked the shareholders to consider the agenda and vote. This agenda require majority of the votes from the shareholders who attend the meeting and have voting rights. Abstain vote will not be accounted.

**The meeting resolution:** The meeting approved the allocation of ordinary shares not exceeding 400,931,241 shares at par value 0.50 Baht to accommodate the share dividend payment with majority of vote from shareholders who attended the meeting and have voting rights. Abstained vote were not counted.

Approved:	3,192,765,468 votes	99.9954%
Disapproved:	146,400 votes	0.0046%
Abstained from voting:	0 votes	0

**Agenda item 7: To approve reappointment of corporate directors retiring by rotation**

The Chair informed the meeting that to comply with the Public Limited Companies Act and the Company's Articles of Association, Section 3, Clause 14 that states that "at every Annual General Meeting, one-thirds (1/3) of the directors shall retire. If the number cannot be divided into three (3) parts exactly, the number nearest to one-thirds shall retire. The directors retiring in the first year and second year following the registration of the Company shall be drawn by lots. In every subsequent year, the directors who have been in office longest shall retire. A retiring director may be re-elected." For 2015 Annual General Meeting of Shareholder, there were 7 directors whose terms have ended as follows:



1) Mr. Manu	Leopairote	Independent Director
2) Mr. Chamroon	Chinthammit	Director
3) Mr. Pornsin	Thaemsirichai	Director
4) Mr. Chalush	Chinthammit	Director
5) Pol. Gen. Boonpen	Bumpenboon	Independent Director
6) Ms. Nongluck	Phinainitisart	Independent Director
7) Mr. Chatri	Chinthammit	Director

Additionally, through the corporate website, the Company had invited all shareholders to nominate qualified person for the director election in line with regulations posted on the website. However, there were no directors nominated.

The Nomination and Remuneration Committee took into account suitability and the benefit of the Company's operations. It deemed to be appropriate that the 7 directors mentioned above be reappointed. The Committee requested that the shareholders' meeting consider the proposal and vote on each individual director.

As the Chair of the meeting is a director whose term has ended and is required to leave the meeting room during the voting process, the Chair asked the Chairman of the Audit Committee to preside over the meeting for this agenda and invite the 7 directors to leave the meeting room temporarily.

There were no other questions from shareholders. The Chair asked the shareholders to consider the agenda and vote. This agenda require majority of the votes from the shareholders who attend the meeting and have voting rights. Abstain vote will not be accounted.

**The meeting resolution:** The meeting re-appointed 7 corporate directors retiring by rotation to resume their responsibilities with the majority of votes from the shareholders who were present and voting as follows:

1. Mr. Manu Leopairote	Independent Director
Approved: 3,192,266,228 votes	99.9798%
Disapproved: 645,640 votes	0.0202%
Abstained from voting: 0 votes	-
2. Mr. Chamroon Chinthammit	Director
Approved: 3,192,903,108 votes	99.9997%
Disapproved: 8,760 votes	0.0003%
Abstained from voting: 0 votes	-
3. Mr. Pornsin Thaemsirichai	Director
Approved: 3,192,903,108 votes	99.9997%
Disapproved: 8,760 votes	0.0003%
Abstained from voting: ....-.... votes	-
4. Mr. Chalush Chinthammit	Director
Approved: 3,192,903,108 votes	99.9997%
Disapproved: 8,760 votes	0.0003%
Abstained from voting: 0 votes	-

5. Pol.Gen. Boonpen Bumpenboon	Independent Director
Approved: 3,192,899,868 votes	99.9997%
Disapproved: 9,000 votes	0.0003%
Abstained from voting: 3,000 votes	-
6. Ms. Nongluck Phinainitisart	Independent Director
Approved: 3,192,900,108 votes	99.9997%
Disapproved: 8,760 votes	0.0003 %
Abstained from voting: 3,000 votes	-
7. Mr. Chatri Chinthammit	Director
Approved: 3,192,903,108 votes	99.9997%
Disapproved: 8,760 votes	0.0003%
Abstained from voting: 0 votes	-

After the meeting had reappointed the 7 directors, the Chair invited the reappointed directors back to the meeting room.

#### **Agenda item 8: To consider and approve remuneration for directors**

The Chair asked Vice President – Company Secretary and Legal Office (Mr. Dhajjai Subhapholsiri) to present the details of the agenda.

The Vice President – Company Secretary and Legal Office (Mr. Dhajjai Subhapholsiri) explained to the meeting that the Nomination and Remuneration Committee and the Board put into consideration suitability and benefits in relation to the Company's operations. The directors' work scopes and responsibilities had increased since then in terms of electricity generation, alcohol and sugar businesses overseas. The Nomination and Remuneration Committee and the Board of Directors, thus, had resolved that the meeting consider the following remuneration for corporate directors as follows:

- 1) Remuneration of Chairman: not exceeding THB 540,000 per year
- 2) Remuneration of Chairman of the Audit Committee: not exceeding THB 540,000 per year
- 3) Remuneration of Director: not exceeding THB 450,000 per year
- 4) Meeting allowances for attending Chairman of other Committees: not exceeding THB 7,200 per person
- 5) Meeting allowances for attending member of other Committees: not exceeding THB 6,000 per person

There were no further questions from the shareholders. The Chair requested the meeting vote for Agenda 8, the allowances for the corporate directors, emphasizing that the votes must account for no less than two third of the total shareholders present.

**The meeting resolution:** The meeting approved the remuneration and meeting allowances for corporate directors as follows:

- 1) Remuneration of Chairman: not exceeding THB 540,000 per year
- 2) Remuneration of Chairman of the Audit Committee: not exceeding THB 540,000 per year
- 3) Remuneration of Director: not exceeding THB 450,000 per year
- 4) Meeting allowances for attending Chairman of other Committees: not exceeding THB 7,200 per person
- 5) Meeting allowances for attending member of other Committees: not exceeding THB 6,000 per person

The meeting approved this agenda with the number of votes not less than 2/3 of the number of all the shareholders present as follows:

Approved:	3,192,774,108 votes	99.9957%
Disapproved:	137,760 votes	0.0043%
Abstained from voting	0 votes	-

**Agenda item 9: To consider and approve appointment of the Company's auditor and the auditor's fee for the Year 2016**

The Chair asked the Chairman of the Audit Committee (Mr. Sitti Leelakasamelurk) to present details for this agenda.

Chairman of the Audit Committee (Mr. Sitti Leelakasamelurk) informed the meeting that by virtue of Section 120 of the Public Company Act B.E. 2535, the Shareholders' meeting is required to appoint the auditor and to fix the audit fee annually. The same auditor may be appointed each year. Besides, the Notification of the Securities Exchange Board No. Kor Jor 39/2548 Re: Criteria, Conditions and Reporting Method regarding the Disclosure of Financial Status and Operating Results of the Company issuing Securities (No. 20) prescribes a company to rotate the auditor in case the same auditor has performed his/her duty for 5 consecutive accounting years; provided that the rotation does not require a new auditing firm. The company may appoint other auditors in that auditing firm to replace the ex-auditor.

The Company's Auditor has performed her duty for 5 consecutive accounting years from 2011 to 2015. To comply with the relevant rules as aforementioned, the Audit Committee has selected other 4 auditors from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. to replace the ex-auditor by considering their related work experience. These selected auditors have no relationship or interests with the Company or its subsidiaries, executives, major shareholders or other related persons.

1. Appoint Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. as the Company's auditor for the Year 2016 with the following auditors:

<u>Name</u>	<u>CPA Number</u>	<u>Year of Auditing the Company's Accounting</u>
1) Mr. Niti Jungnitnirundr	3809	-
2) Ms. Duangrudee Choochart	4315	-
3) Mr. Choopong Surachutikarn	4325	-
4) Mr. Kiatniyom Kuntisook	4800	-

2. Approve the audit fee at the amount of THB 2,400,000.- The fees include the audit service for the Company's consolidated financial statements and separated financial statements for the accounting period ending October 31, 2016.

Table indicating audit fees for comparison

Items	Financial statements in three quarters	Annual financial statements	Review the data from other auditors	Total
Year 2015 (1 November 2014 to 31 October 2015) Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.	THB 1,080,000.-	THB 880,000.-	THB 330,000.-	THB 2,290,000.-
Year 2016 (1 November 2015 to 31 October 2016) Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.	THB 1,140,000.-	THB 930,000.-	THB 330,000.-	THB 2,400,000.-

There were no further questions from the shareholders. The Chair requested the meeting vote for Agenda 9 the appointment of auditor and auditor's fee for the year 2016, the, emphasizing that the votes must account for majority votes of the shareholders who attend the meeting and cast their votes.

**The meeting resolution:** The meeting approved 1) the appointment of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. as the Company's auditor for the Year 2016 with the following auditors: 1) Mr. Niti Jungnitnirundr (CPA 3809) or, 2) Duangrudee Choochart (CPA 4315) or, 3) Mr. Choopong Surachutikarn (CPA4325) or, and 4) Mr. Kiatniyom Kuntisook (CPA 4800); and 2) approved auditor's fee of 2,400,000 Baht for the year 2016 with majority votes of the shareholders who attend the meeting and cast their votes as follows:

Approved:	3,192,897,108 votes	99.9995%
Disapproved:	14,760 votes	0.0005%
Abstained from voting	0 votes	-

**Agenda item 10: To consider any additional matter**

Mr. Rithichai Yipcharoen (a minor shareholder) asked about the Company's future business plan and what are the estimated revenues for each different business within KSL group?

The Vice President of Accounting and Finance (Mr. Chanachai Chutimavoraphand) explained that the main resource of revenue for KSL will still be from sugar business, about 70-80 percent of all revenue generated even if the Company completes the capacity expansion for ethanol business in the future. If looking at profit, the profit margin from electricity business is highest, followed by ethanol, and then sugar.

Mr. Kawin Suksatienpanit (a minor shareholder) pointed out that the Company paid share dividend for two consecutive years and it appeared that the Company is avoiding to pay dividend in cash. If the Company wishes to keep cash for future investment, it should ask the meeting to consider such dividend payment.

The Chair explained that the Company considered many options to dividend payments to shareholders in light of the current economic situation, the interests of all stakeholder groups, and the sustainability of business operation. If the Company pays dividend in cash only, it may cause the Company to become short on cash for future investments which leads to borrowing money from the bank and rising interest expense which ultimately hurts all stakeholder groups' interests.

There were no further questions and matters suggested by the shareholders. The Chair thanked all the shareholders for taking the time to attend the meeting.

The Chair closed the meeting at 12:00 PM.

(Mr. Manu Leopairote)  
Chairman of the Board of Directors

(Mr. Dhajjai Subhapholsiri)  
Company Secretary