



รายงานประจำปี 2557

บริษัท น้ำตาลบุรีรัมย์ จำกัด (มหาชน)

FERTILIZER

ELECTRICITY

SUGAR

ANNUAL REPORT 2014

Buriram Sugar Public Company Limited





Vision

Ensure raw materials security and better living conditions for cane growers.

Develop sugar and renewable energy businesses for sustainable growth and harmonized living between communities and society.

Missions

1. Promote cane growers around the factory to increase yield per rai with knowledge and responsibility.
2. Develop management system to stabilize cane and enhance growers' profit.
3. Enhance innovation to increase organization and cane growers' efficiency and competitiveness.
4. Encourage staffs and cane growers to learn new knowledge for sustainable growth.
5. Conduct business on the basis of good governance, fairness, transparency and ethics with responsibility for stakeholders, communities and society.

Company Register

Company : Thailand Securities Depository Co., Ltd.
Head Office : The Stock Exchange of Thailand Building,
62 Rachadapisek Road, Klongtoey District,
Bangkok 10110
Telephone : 02-229-2800
Fax : 02-359-1259

Auditor

Company : PricewaterhouseCoopers ABAS Ltd.
Head Office : 15th Floor, Bangkok City Tower
6179/74-80 South Sathorn Road, Sathorn,
Bangkok 10120
Telephone : 02-344-1000
Fax : 02-286-5050

Investors can find further information of the listed company from Form 56-1 of the company shown in www.sec.or.th or the company's website (if any). To display the information, the listed company can consider using explanation format consistent with appropriateness. The company may use communication methods to aid shareholders in ease of understanding, for examples, graph, picture, etc. however, such disclosed information in any formats shall not show information that is untrue, concealing truths, or leading to misunderstanding.

Content

Message From The Board of Directors	6
Board of Directors and Management Team	7
Financial Highlights	11
General Information of Company	12
Policy and overview of Business Operation	13
Nature of Business	20
Risk Factors	38
Shareholding Structure	44
CSR In Process of Buriram Sugar Group	54
Management Structure	56
Director and Management Profile	68
Corporate Governance	74
Dividend Payment Policy	79
Internal Control and Risk Management	79
Connected Transactions	80
Report of The Risk Management Committee	85
Report of The Audit Committee	86
Financial Statements	88
Overview of Operation Performance	142

Message from the Board of Directors

Among our highest achievements in 2014 are to be listed in the Stock Exchange of Thailand on Thursday, November 6, 2014. Being listed provides flexibility for our financial management, capital from IPO is used to repay the loan for expansion of crushing capacity from 14,000 TCD to 17,000 TCD and to be used as circulating fund. Our expansion of crushing capacity goes in parallel with cane expansion as per our "Sugar Made in the Field" philosophy we have abided for over a decade. The success of this endeavor can be seen from recorded cane crushed during the past 5 years. In 2009/10 season, we crushed 1.17 million tons of cane, while in 2013/14 our cane rose to 1.77 million tons and we expect to crush over 2 million tons in 2014/15 season.

Apart from cane development, we add our role as substantial bio-power producer in the region. Bio-power is a source of renewable energy with high potential and being supported by the government. It is also an extension of our sugar business by utilizing byproduct. In 2015, we are scheduled to inaugurate our 2nd bio-power plant, Buriram Power, with 9.9 MW capacities similar to the first plant, Buriram Energy. Both have 8 MW selling contracts with Provincial Electricity Authority (PEA). Furthermore, to accommodate growing cane, we established the 3rd bio-power plant, Buriram Power Plus Co., Ltd. On this development, share of profit from renewable energy is expected to rise to 30% from the current 10% in the near future.

Another important task we have adhered for the past years is the caring of all stakeholders, shareholders and neighboring communities via our Corporate Social Responsibility (CSR) activities. Since our main business activities related to cane farmers and nearby communities, we have worked on our CSR activities in the form of "CSR in Process". Unlike the normal CSR, CSR in Process integrates activities in all business practices. It is a kind of social responsibilities on every business aspect throughout supply-chain, from raw materials procurement, hiring, producing, environmental preserving up until our products are delivered to the market. Working

closely with cane farmers and communities cements our tie with them. This, in fact, is the dynamic force driving the growth of our business, creating sustainable development as well as enriching the harmonization of living together between business, nature and communities.

For sugar business, BRR has continuously improved both quantity and quality of cane to achieve maximum sugar yield. In 2013/14 crop year, sugar yield per ton cane jumped from 105 kg/ton in the previous season to almost 118 kg/ton. On the market side, BRR has closely monitored the movement of international and domestic sugar markets, especially the gradually entering into force of several Free Trade Agreements (FTAs). Among the most important FTAs are ASEAN Trade in Goods Agreement (ATIGA), ASEAN Economic Community (AEC) and ASEAN-Korea Free Trade Agreement (AKFTA). On domestic side, we are working closely with related government agencies on the restructuring of Thai's cane and sugar industry in the foreseeable future. These changes stimulate BRR to prepare itself to be flexible in both the ability to grab opportunities and the encountering to challenges.

Lastly, BRR Board of Directors would like to express appreciation to all stakeholders-cane farmers who work very hard to improve their cane quality, shareholders who believe in us and our staffs who never cease to strive for better outcome.

Thank you



(Prachuab Chaiyasan)
Chairman



(Anant Tangtongwechakit)
Executive Chairman

Board of Directors



Mr. Prachuab Chaiyasarn

Chairman of the Board of Directors
and Independent Director
and Chairman of the Audit Committee



Mrs. Seenual Tasanapant

Director and Independent Director
and Audit Committee



Mr. Sirichai Sombutsiri

Director and Independent Director
and Audit Committee



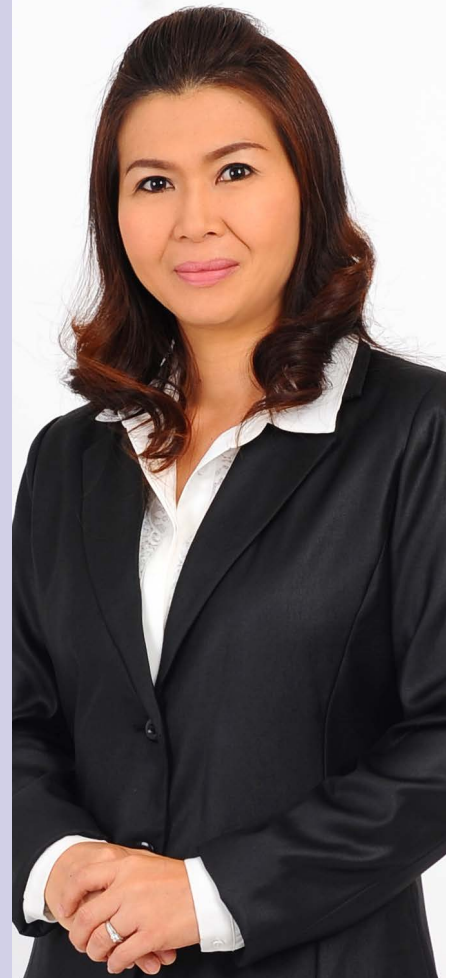
**Mr. Anant
Tangtongwechakit**

Director
and CEO



**Mrs. Jirawan
Pongpichitkul**

Director
and Executive Director



**Miss Chittima
Tangtrongwechakit**

Director
and Executive Director



**Mrs. Wanphen
Punyaniran**

Director
and Executive Director



**Mr. Sarit
Tangtrongwechakij**

Director
and Executive Director



**Mr. Adisak
Tangtrongweachakit**

Director
and Executive Director

Management Team



**Mr. Vorathep
Lertchaiudomchok**

Vice Managing Director
Finance and Operation



**Mr. Pattarapong
Pongsawasdi**

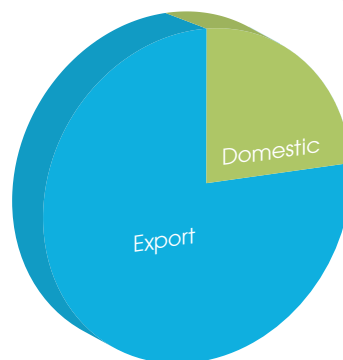
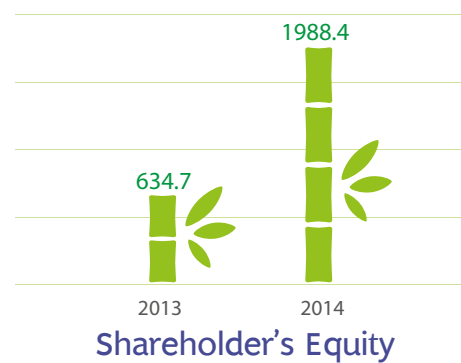
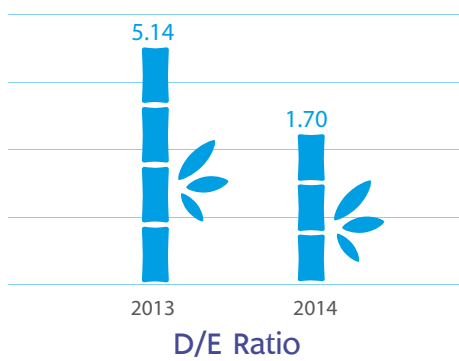
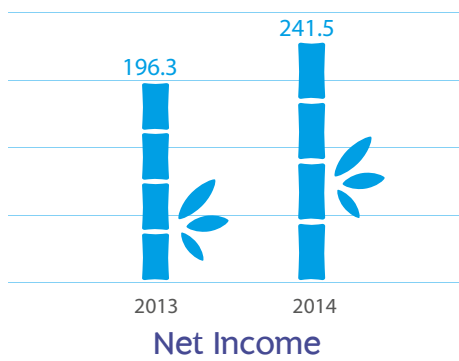
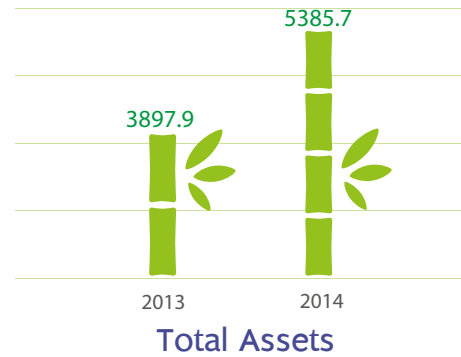
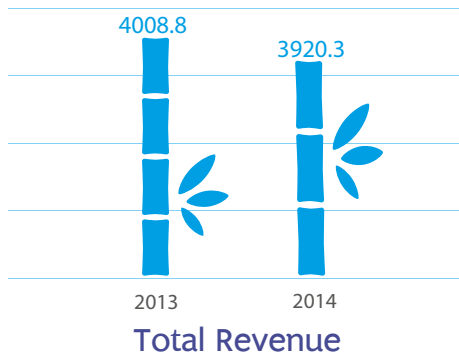
Assistant Senior Managing Director
International and Investor Relation



**Mr. Pitak
Chaosoun**

Assistant Senior Managing Director
Finance and Operation

Financial Highlights



Sales by Geographic

General Information of Company

Buriram Sugar Public Co., Ltd.

Business Type	: Conduct business in investment by holding shares in subsidiary companies (Holding company) which are sugar manufacturing and distribution business, byproduct from sugar business, for example, electricity business and fertilizer business, and support business which is research and development
Public Company No.	: 0107556000523
Head Office/Factory	: 237 Moo.2 Baan Sao-Ae, Hinlekkai, Kumueang, Buriram 31190
Bangkok Office	: 128/77-78 7th Fl., Phayathai Plaza, Phayathai Road, Ratchathewi, Bangkok 10400
Telephone	: 04-465-9020, 0-2216-5820-2
Fax	: 04-465-9020, 0-2216-5823
Website	: www.buriramsugar.com

Buriram Sugar Factory Co., Ltd.

Business Type	: Manufacture and distribute sugar
Head Office/Factory	: 237 Moo.2 Baan Sao-Ae, Hinlekkai, Kumueang, Buriram 31190
Bangkok Office	: 128/77-78 7th Fl., Phayathai Plaza, Phayathai Road, Ratchathewi, Bangkok 10400
Telephone	: 04-465-9020, 0-2216-5820-2
Fax	: 04-465-9020, 0-2216-5823

Buriram Sugarcane Research and Development Co., Ltd.

Business Type	: Research and development to improve efficiency of cane growing and caring
Head Office/Factory	: 237 Moo.2 Baan Sao-Ae, Hinlekkai, Kumueang, Buriram 31190
Bangkok Office	: 128/77-78 7th Fl., Phayathai Plaza, Phayathai Road, Ratchathewi, Bangkok 10400
Telephone	: 04-465-9020, 0-2216-5820-2
Fax	: 04-465-9020, 0-2216-5823

Buriram Energy Co., Ltd.

Business Type	: Biomass power plant
Head Office/Factory	: 289 Moo.2 Baan Sao-Ae, Hinlekkai, Kumueang, Buriram 31190
Bangkok Office	: 128/77-78 7th Fl., Phayathai Plaza, Phayathai Road, Ratchathewi, Bangkok 10400
Telephone	: 04-465-9020, 0-2216-5820-2
Fax	: 04-465-9020, 0-2216-5823

Buriram Power Co., Ltd.

Business Type	: Biomass power plant
Head Office/Factory	: 284 Moo.2 Baan Sao-Ae, Hinlekkai, Kumueang, Buriram 31190
Bangkok Office	: 128/77-78 7th Fl., Phayathai Plaza, Phayathai Road, Ratchathewi, Bangkok 10400
Telephone	: 04-465-9020, 0-2216-5820-2
Fax	: 04-465-9020, 0-2216-5823

Key Brand Fertilizer Co., Ltd.

Business Type	: Produce and distribute organic and chemical fertilizer
Head Office/Factory	: 237 Moo.2 Baan Sao-Ae, Hinlekkai, Kumueang, Buriram 31190
Bangkok Office	: 128/77-78 7th Fl., Phayathai Plaza, Phayathai Road, Ratchathewi, Bangkok 10400
Telephone	: 04-465-9020, 0-2216-5820-2
Fax	: 04-465-9020, 0-2216-5823

Policy and overview of Business Operation

Overview of Business Operation

Buriram Sugar Public Co., Ltd. and its subsidiaries are one of the sugar industry pioneers of Northeastern region of Thailand which Mr. Vichien Tangtongwechakit initiated cane growing practices and encouraged farmers to grow cane in Buriram Province. The group has operated an integrated business of raw sugar and brown sugar manufacturing and distribution both for domestic consumption and export more than 50 years. The Company uses byproducts of sugar manufacturing like molasses, bagasse, and filter cake (press mud) to further advance the business utterly.

Sugar Business

Buriram Sugar Factory Co., Ltd. (BSF) was registered on 2003 with THB 1 million registered capital. In 2010 and 2011, the Company has increased registered capital to THB 990,637,000 and THB 1,050,000,000 consecutively. In 2011, BRR has transferred its employees in various departments, its sugar manufacturing and distribution license, factory license, brand, and electricity production and generation to BSF.

BSF conducts sugar production and distribution business. The factory locates at 237 Moo.2 Baan Sao-Ae, Hinlekhai, Kumueang, Buriram, has authorized production capability of 17,000 tons per day, and is capable to crush sugarcane 2 million tons per annum. The distributed products can be divided into raw sugar and brown sugar and are sold for both domestic customer and international customer. Aside from sugar production, BSF can generate electricity from steam, a byproduct of sugar manufacturing, at 10 MW from 12 MW capacities to use in the sugar factory area.

Byproduct business

1. Buriram Energy Co., Ltd. (BEC), originally Buriram Ethanol Co., was registered on 2548 with 1 million Baht registered capital and increased registered capital to 990,637,000 Baht in August 2006 for preparation of ethanol plant construction. Due to unfavorable circumstances during that period, the Company has postponed its construction plan up until present. In 2010, the Company changed its name to Buriram Energy Co., Ltd. and raised its registered capital to 135,600,000 Baht in 2011.

With its production capacity of 9.9 MW, Buriram Energy Co., Ltd., using bagasse as a main fuel for electricity generation, sells 8 MW of the electric power generated to Provincial Electricity Authority (PEA) and distributes remaining 1.9 MW to the sugar factory. The power plant locates near the Buriram sugar factory for convenience of bagasse transportation and electric power distribution. In December 30, 2011, BEC has contracted PEA to sell its electric power maximum 8 MW at 22,000 volts electric potential system and has started its distribution in June 2012. BEC electricity generation has been promoted and invested by The Thai Board of Investment in June 28, 2011.

2. Buriram Power Co., Ltd. (BPC) was registered on 2011. Currently, the Company has 2,500,000 Baht registered capital. BPC has been established to support future project regarding bagasse-based biomass electricity generation which can utilize other substitutable fuel materials such as woodchips or chaff to generate electricity. The construction of BPC's power plant has completed and is in the process of electricity distribution testing. The power plant locates near the power plant of BEC and Buriram Sugar Factory Co., Ltd. for convenience of bagasse transportation. The electricity generated will be sold to PEA. In April 14, 2013, BPC contracted PEA to sell its electric power maximum 8 MW at 22,000 volts electric potential system and will start its distribution in June 2015, however, the Company is submitting for approval of electricity sale from Adder system to Feed in tariff (FIT). BPC electricity generation has been promoted and invested by The Thai Board of Investment in June 28, 2011.

3. Key Brand Fertilizer Co., Ltd. (KBF) was established in 2011 with the registered capital of 15 MB. It conducts the production of organic fertilizer, bio-fertilize, and organic chemical fertilizer, using filter cakes, which is byproduct of sugar production process as main raw materials. KBF have started production and distribution in 2012 and has a production capacity of 30,000 tons per annum. The products will be sold to BRD to resell to the cane grower to enrich soil nourishment, which will help increase the quality of cane.

Supporting Business

Buriram Sugarcane Research and Development Co., Ltd. (BRD), originally Buriram Machinery Development Co., was registered on 2539 with registered capital 1,000,000 Baht and has increased the registered capital to 70,880,000 Baht in February 16, 2010 and has changed its name to Buriram Sugarcane Research and Development Co., Ltd.

BRD is a subsidiary company that provide raw material to BSF. BRD conducts its business via encouraging farmers to cultivate sugarcane by contract farming. The implementation helps sustain satisfactory amount of raw material for BSF operation, develop innovations such as sugarcane variety and sugarcane-related machinery, organize farmer system, assist sugarcane cultivation, improve efficiency, and increase crop yield which help support quality of farmers' life.

Business Operation Objectives

Objectives on operating sugar business as well as byproduct business

The Company group aims to maintain first rank in sugar and byproduct from sugar manufacturing production. All the time BSF operate sugar factory business, BSF place strong importance in quality of sugar manufacturing. BSF and BRD have set policies to control production process from material procurement via cane varieties test to acquire the most suitable cane variety for each cane plot and best quality sugar. Additionally, the Company aims to develop business in biomass energy field continuously together with expansion of sugar business via providing plan to increase electricity generation to support capacity of other business of the Company group in the future and distribute electricity to maximize value to shareholder

under the determination “electric power for community and society”.

Develop good relationship with farmers

Cane farmers are compared as family of the Company's group. Since BSF and BRD cannot grow all of cane required to produce sugar, the cane farmers are vital alliance of BSF/BRD. The quality of sugarcane is a significant factor of sugar production. If crushed cane doesn't possess high quality, the manufacturing may face problems to the level of manufacturing halt; hence, BSF/BRD place high importance in the cane farmers to encourage farmers to grow high-quality cane which will result in benefits of both the farmers and the sugar factory. BRD support the farmers systematically and effectively via online farm system and satellite system to survey geographic co-ordinates and providing farmer promoters to coordinate with the farmers in every process of cane growing to ensure that cane provided can produce best quality sugar.

Maximize value of byproduct from sugar manufacturing

The Company group plans to maximize value of byproduct from sugar manufacturing. The Company group generates electricity from bagasse, produces fertilizer from filter cake, and utilizes the fertilizer for cane growing area. In the future, the Company group organizes plans to increase cane crushing capacity, advanced electricity generation, and utilize byproduct increased in accordance with rising production capacity to maximize benefit.

Personnel Objectives

Personnel of the Company are highly valuable resource to develop the Company. The Company place importance in every process related to human resource from hiring right man for suitable job, developing personnel skill, and keeping important personnel.

The Company also sets policy for personnel from all ranks to receive training appropriate for responsibilities of

each department to prepare the Company's personnel corresponding with expansion of the business and industry competitiveness effectively.

Objective of managing with virtue and good governance

1. Operating with transparency

The Company sets operating plan and discloses important information based on appropriate criteria to create fairness and promote equality between shareholders. The Company provides audit system by independent internal and external auditor for fairness and transparency.

2. Social development and support

The Company firmly believes that business development of the Company must be carried out together with social development. The Company provides social development projects via donation and support to improve social living conditions which is important mission of the Company.

The example of community supports are:

- Support education to school in neighboring area and Ban Sao Ae school in 2011 to 2014
- Organize events to fund library building of Ban Sao Ae school which mainly support by Vichien Tangtongwechakit Foundation
- Participate with communities in several festivals to promote virtue local cultures

3. Promote Health and Safety

Since health and safety of stakeholders of the Company is important, the Company operates business in conformance to law related to health and safety strictly and aims to improve quality level of the Company from production to distribution. The Company provides production system inspection continuously to ensure confidence of customer on quality of products and factory operation system monitoring for safety of the Company's employee.

Important background, change, and development

Buriram Sugar Public Co., Ltd. originally Sahathairungruang Sugar Co., Ltd. (1963) (transfer business from Sahathairungruang Sugar factory limited partnership) registered and established on December 20, 1963 with 2 million Baht registered capital to operate sugar factory business in Buriram. The significant events and developments in the past are as follows:

Year	Major events
1963	<ul style="list-style-type: none"> Sahathairungruang Sugar Co., Ltd. was established, with 2 million Baht registered capital, to produce raw sugar. The crushing capacity at that time was 3,003 Tons Cane per Day (TCD). Major shareholder groups were Mr. Vichien Tangtongwechakit group, Mr. Somchai Siripanumat group, and Mr. Pichai Lianggobgij group.
1980	<ul style="list-style-type: none"> The Company increased its registered paid-in capital to 15 million Baht.
1986	<ul style="list-style-type: none"> Mr. Somchai Siripanumat group and Mr. Pichai Lianggobgij group sold all shares to Tangtongwechakit family group and changed the Company name to Buriram Sugar Co., Ltd. to conduct raw sugar and white sugar manufacturing business under "Double Keys" brand.
1990	<ul style="list-style-type: none"> Received approval to expand the factory 2nd time in October 10, 1990. The capacity increased to 7,700 TCD.
1991-1994	<ul style="list-style-type: none"> Continuously, increased its registered paid-in capital to 200 million Baht. Received approval to increase the capacity to 8,991 TCD without increased equipment horsepower in October 1994

Year	Major events
1996	<ul style="list-style-type: none"> Established Buriram Sugarcane Research and Development Co., Ltd. (BRD) to support academic aspect and cane management to stabilize agricultural products and improve life quality of farmers. Received approval to increase the capacity to 12,000 TCD without increased equipment horse power in February 1996
1997	<ul style="list-style-type: none"> The Company started facing financial problems due to national economic crisis.
2001	<ul style="list-style-type: none"> BRD started using MIS (Management Information System) and GIS (Geographic Information System) to manage operation for the first time in July, 2001
2003	<ul style="list-style-type: none"> Established Buriram Sugar Factory Co., Ltd. (BSF) to conduct sugar trade business.
2005	<ul style="list-style-type: none"> Established Buriram Energy Co., Ltd. (BEC) for support energy business in the future. The Company started debt restructuring and entered business rehabilitation plan.
2009	<ul style="list-style-type: none"> Acquire approval to increase its capacity from 12,000 TCD to 17,000 TCD in September, 2009. BRD used drip irrigation system for the first time to regulate appropriate amount of water supply to sugarcane plot of member farmers for maximizing yield. BRD started using online plot system on October 1, 2009, to survey and monitor sugarcane plot of member farmers.

Year	Major events
2010	<ul style="list-style-type: none"> Buriram Sugar Co., Ltd. made a future contract to sell its assets and business licenses to Buriram Sugar Factory Co., Ltd. in conformance to the business rehabilitation plan which has affected the Company as follows: <ul style="list-style-type: none"> BRR has transferred its employees in department of production, procurement, marketing, and loan to BSF and its employees in department of material procurement, as well as fertilizer, medicine, and equipment loan to BRD for efficiency in managing personnel and experts. The department of operation and support (except department of loan) are under management of the Company. The main reason to firstly transfer personnel to the subsidiaries because the Company has not received approval to transfer the licenses from the Office of the Cane and Sugar Board. Since, period of cane crushed was near, the Company had to transfer personnel first to be able to operate work uninterruptedly. BRR leaved the business rehabilitation plan
2011	<ul style="list-style-type: none"> BRR sold its assets as well as sugar manufacturing and distribution license and factory business license to BSF. BRR changed its operating business to Holding company while BSF operates sugar manufacturing and distributing business. BEC have had equipped capacity 9.9 MW and made a trading contract with PEA amounted 8 MW and distributed remaining 1.9 MW to use in the factory and receive Investment Promotion Card no. 2003(1)/2554 Established Buriram Key Brand Fertilizer Co., Ltd. (KBF) to conduct organic fertilizer production and distribution business. Established Buriram Power Co., Ltd. (BPC) for support expansion of biomass electric energy business due to expansion of amount of cane sent to crush which increase the amount of bagasse correspondingly. BPC have had equipped capacity 9.9 MW and made a trading contract with PEA

Year	Major events
2012	<ul style="list-style-type: none"> BRR increased its registered paid-in capital to 320 million Baht. BEC started distributing electricity to PEA in May, 2012. KBF stated production and distribution of organic fertilizer and had production capacity 30,000 tons per annum BRR has participated in "New share, proud of province" project, a project of the Securities and Exchange Commission, which allow the Company to gain several privileges, for example, capital market workshop, advise from related organization, plague of honor, etc.
2013	<ul style="list-style-type: none"> Buriram Sugar Co., Ltd. has converted to Buriram Sugar Public Co., Ltd. BRR has increased its registered capital to 676,750,000 Baht to support IPO which consists of <ul style="list-style-type: none"> Capital increase ordinary shares amounted 180,800,000 shares offered to existing shareholders at specified value price Capital increase ordinary shares amounted not exceeding 6,767,500 shares offered to directors, executives, and employees at 2.70 Baht per share Capital increase ordinary shares amounted not exceeding 169,182,500 shares offered to public BEC participated in "Thai power love Thai energy" broadcast on Thai News Network on July 22, 2013. BRD had more 872 farmers and own more 8,153.92 Rai of cane growing area in production year 2012/2013 totaled 7,133 farmers and 129,516.73 Rai of cane growing area. BRD finished creating UAV for cane farm survey and initialized flight in January 2013. The UAV operating time is 20 minutes at altitude 300 meters.
2014	<ul style="list-style-type: none"> BSF increased its capacity to 17,000 TCD BEC participated in "Electalon Passion Life" broadcast on Royal Thai Army Television station on August 4, 2014 BRD had more 2,754 farmers and own more 38,857.92 Rai of cane growing area in production year 2013/2014 totaled 9,877 farmers and 168,374.65 Rai of cane growing area. BRR has registered in The Stock Exchange of Thailand in November 6, 2014.

Shareholding Structure of the Company group

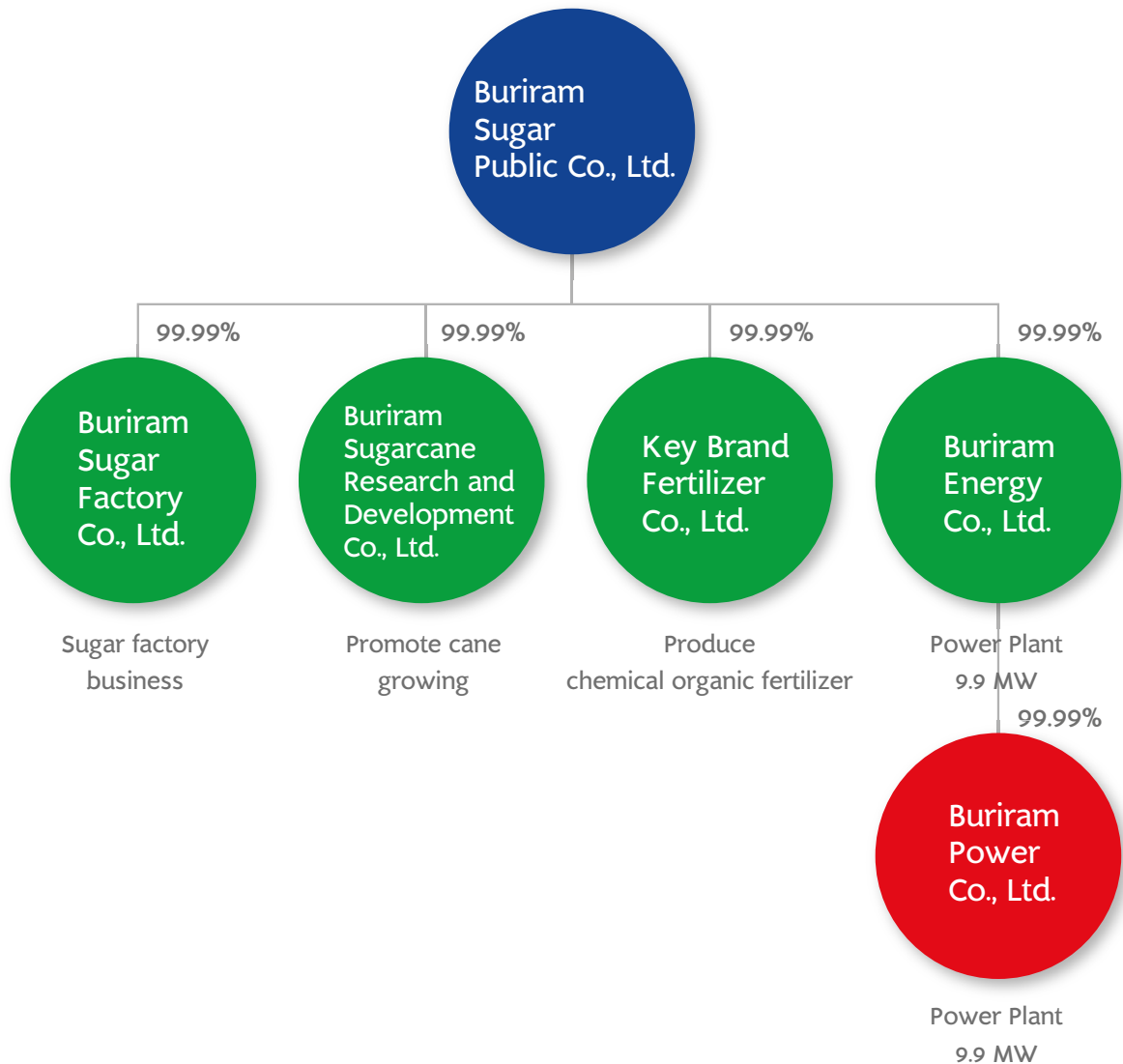
The Company is holding company consisted of 5 subsidiaries, 4 operational companies and 1 company that is being in the progress of factory construction, as follows:

Name of Company	Registered Capital (million Baht)	Investment proportion (%)	Nature of Business	Nature of Business regarding definition of the SEC	Size of subsidiary to the Holding Company*
<u>Sugar Business</u> Buriram Sugar Factory Co., Ltd.	1,050.00	99.90	Manufacture and distribute sugar (core business)	Company that conduct core business	85 (70)**
<u>Byproduct Business</u> Buriram Energy Co., Ltd.	135.60	99.99	Biomass power plant	Subsidiary	5 (13)**
Buriram Power Co., Ltd.	170.00	99.99 (holded share by Buriram Energy Co., Ltd.)	Biomass power plant (in the progress of factory construction)	Subsidiary	N.A.
Key Brand Fertilizer Co., Ltd.	15.00	99.99	Product and distribute chemical organic fertilizer	Subsidiary	7 (7)**
<u>Support Business</u> Buriram Sugarcane Research and Development Co., Ltd.	70.88	99.99	Research and development to improve efficiency of cane growing and caring	Subsidiary	3 (10)**

Remark : * Sizes of Subsidiary to the Holding Company are calculated using revenue of subsidiary's core business divided by 2014 total revenue instead of categorize by asset size, since the Company believes that revenue method capable to show operating performance and return from investment of subsidiaries more accurately than asset method.

** Sizes of Subsidiary to the Holding Company calculated using asset criteria by divide total asset of subsidiary after deducted connected transaction with total asset of the Holding Company at the end of 2014

Subsidiary Structure of Buriram Sugar Public Co., Ltd. group



Relationship of major shareholders with the business group

- None -

Nature of Business

The Company's revenue structure

Revenue structure of the Company and its subsidiaries are as follows:

	2012		2013		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
1. <u>Revenue from sugar and molasses sales</u>						
1.1 Revenue from domestic brown sugar sales	899.05	22.87	886.64	22.12	908.37	23.17
1.2 Revenue from international brown sugar sales	179.58	4.57	-	-	-	-
1.3 Revenue from international raw sugar sales	2,090.25	53.17	2,188.11	54.58	2,129.35	54.31
1.4 Revenue from domestic molasses sales	137.25	3.49	293.59	7.32	290.32	7.40
Total revenue from sugar and molasses sales	3,308.12	80.60	3,368.34	84.02	3,328.04	84.88
2. <u>Revenue from byproduct business</u>						
2.1 Revenue from electricity sales	94.03	2.39	132.62	3.31	182.53	4.66
2.2 Revenue from fertilizer sales	228.01	5.80	275.13	6.86	285.04	7.27
2.3 Revenue from other sales	259.85	6.61	202.78	5.06	100.79	2.57
Total revenue from byproduct sales	581.89	14.80	610.53	15.23	568.36	14.50
3. <u>Other revenues</u> *	43.49	1.11	29.93	0.75	23.92	0.62
Total revenue	3,931.52	100.00	4,008.80	100.00	3,920.32	100.00

Remark *Other revenues are profit from asset selling, bad debt recovery, interest received, etc.

Natures of products and services

BRR was awarded ISO 9001: 2008 certificate in 2001 for quality management, "QMS" ("Quality Management System") which ensures customer satisfaction, "GMP" ("Good Manufacturing Practice"), HACCP which help managing hazard analysis and critical control points which certificates for our good quality sugar, and Halal which ensure product permission for Muslims. Sugar produced by BSF can be divided into two categories according to their type and level of purity which are: raw sugar and brown sugar.

A quantity of sugar production is shown below.

	2011		2012		2013	
	Ton	Percent	Ton	Percent	Ton	Percent
Raw sugar	131,642.17	73.11	113,167.26	72.27	142,825.69	75.43
Brown sugar	48,422.95	26.89	43,423.60	27.73	46,511.23	24.57
Total	180,065.12	100.00	156,590.86	100.00	189,336.92	100.00

Remark : In 2010, the Factory operated under Buriram Sugar Co., Ltd. but change to Buriram Sugar Factory Co., Ltd. in November, 2011.

Source: the Company

1. Raw Sugar

Raw sugar is the sugar from the initial production process by boiling and crystallizing sugarcane. Raw sugar has a color value higher than 1,500 ICUMSA. It is dark brown, and has a high dirt index and a low purity index. Raw sugar crystal tends to stick together and not crumbly. This type of sugar cannot be consumed until it is refined or purified, turning into white sugar or refined sugar. Transfer is done in bulk without the use of sacks to export.

High polarization sugar is partly purified raw sugar. High pol sugar has a color value between 1,000 and 1,500 ICUMSA. It is yellow blend with brown. It can be consumed without any further process needed. To distribute, BSF packs high polarization sugar in sacks before export to international market.

2. Brown Sugar

Brown sugar is purified sugar without processing its color value; so it becomes gold with the color value lower than 1,000 ICUMSA. The Company manufactures brown sugar with 401-1,000 ICUMSA, 0.1% moisture to sell to distributors in community and nearby areas in Buriram, and up-country areas. The variety of package is provided for customer satisfaction as follows: (Quality control results)

- 1kg per package
- 50kg per package
- 1kg per package in 50kg sack
- 500g per package
- 500g per package in 25kg sack
- 1kg per package in 25kg sack

Aside from sugar from sugar manufacturing, 14,000 tons of sugarcane, which BSF can process to 1,500 tons of sugar, also provides other byproducts which are 600 tons of molasses, 3,500 tons of bagasse, and 600 tons of filter cake. The physical characteristics and utility of byproducts are as follows:

- Molasses

Byproduct of sugar production, molasses is dark and sweet syrup left over from the centrifuge process. Most of molasses composition is uncrystallised sucrose. A ton of sugarcane processed in sugar factories provides 42.8 kilograms of molasses as a byproduct.

Molasses can be used as food and beverage production material like MSG, sauce, liquor, organic fertilizer and ethanol.

- Bagasse

Bagasse is the remained fibrous residues after sugarcane stalks are crushed to extract their juice. It contains carbon, hydrogen, oxygen, and nitrogen and can be used as an effective biofuel for electricity generation after being dry in the sun. Aside from biofuel, it can also be used for making paper, fiber board, particle board, or cellulose fibers production.

Currently, Buriram Energy Co., Ltd. (BEC), one of subsidiary companies of BRR, conducts biomass electricity generation business with capacity up to 9.9 megawatts using bagasse as a biofuel. Surplus electricity amount 8 megawatts are sold to Provincial Electricity Authority and remaining 1.9 megawatts are supplied to the factory. The remaining bagasse is sold to other biomass power plants.

- Filter cake

Sugarcane filter cake (press mud) is a byproduct from sugarcane juice filtration. Composing of various nutrients, e.g. protein and other minerals, the layer of filter cake protects the soil against erosion, adjusts pH, improves water retention, ameliorates physical and biological soil properties, and is an important source of plant nutrients. Filter cake can also be used as animal food or biochemical gas production.

BSF currently distributes its filter cake to Key Brand Fertilizer Co., Ltd. (KBF) which is one of the subsidiary companies of BRR. KBF then use the filter cake as a main component to produce chemical organic fertilizer as well as chemical fertilizer and sell it to BRD to support farmers in the plantation area by improving soil fertility and increasing amount of sugarcane per area.

Moreover, steam from sugar production can be utilized to propel machineries and generate electricity. BSF has an electric generation capacity of 12 MW and currently generates 10 MW for usage in the sugar factory. The additional generation helps reduce electricity cost and manage existed resource sustainably.

Market and Competition

Competitive Strategy

Accumulating experience and expertise more than 49 years, the Company has developed its sugar business consistently via inventive activities such as new research & development on sugarcane variety, tool, and machinery used in sugar production business, sugarcane cultivation extension, and sugarcane plantation management system. The execution ensures that the Company operates its business in accordance with its own vision which is "Excellence in knowledge and management to ensure raw materials security and better living conditions for cane growers.". The competitive strategies that the Company has utilized are as follows:

• Suitability of sugarcane plantation area

From statistical data of sugarcane growing area in 2011/ 2012, the northeastern region of Thailand produced the highest quantity of sugarcane to factories thanks to rainfall and climate suitable for cane growing. From 2012/2013 report, Buriram sugarcane growing area covered 188,946 Rai (ranked 7th compared to other provinces in the northeastern region) and produced cane 11.09 tons/rai.

• Strength of Research and Development

(Operated by Buriram Sugarcane Research and Development Co., Ltd.)

From the notion "Sugar is made in farm. The factory is only a cane extractor"; hence Buriram Sugarcane Research & Development Co., Ltd. or BRD which is responsible for promotion of sugarcane growing is essential for the Company's business. Distinctive points of BRD are:

- Have an excellent understanding of cane types and varieties suitable for plantation area and appropriate time to harvest cane, for example, cane harvested at the end of monsoon season that are highest in quantity and quality is planted at the end of October to January. Proper age of the cane is 12 to 13 months. While cane harvested at the beginning of monsoon season has disadvantages that are: low products and quality, high cost, lots of weeds, and risk from flood. And stump cane which is cane that grow from cut cane cost lower and may provide more or less products compare to new-grown cane depended on caring.
- Improve soil and fertilizer constantly via collaboration with Suranaree University of Technology, Nakhon Ratchasima to develop fertilizer composition that suitable for every sugarcane plot which will increase products and reduce cost of farmers.
- Control spread of disease and insect by natural means, for example, breeding Trichogrammas to control stem borers, breeding green fungus to control stem boring grubs, and etc. to ensure safety of raw material.
- Have cane growing promotion department to ensure required quantity and quality of cane. Cane growing will be supported closely by promoters dispatched to every area totaled 10 branch offices. Each promoter is responsible for 30,000-50,000 tons of cane or 200-250 farmers by using online information technology, geographic information system, and GPS to survey and manage cane growing area systematically.
- Promote use of water system to increase cane products which results in increasing time of cane growing outside ordinary season as well as distribution of fertilizer via the water system. By utilizing the system, the production can increase from normally 10-20 tons/rai to 30-40 tons/rai.
- Organize workshop to create understanding of appropriate production technology and divide farmers by success level of cane growing to simplify development.
- Arrange study trip both domestic and international to develop and apply experience suitable for each farmer's farm.
- Utilize strong farmer group system to ensure planning, controlling, and monitoring cane management systematically and timely with suitable equipments and sufficient services.

- Raw material procurement capability and quality material

Because the Company recognizes the importance of cane farmers, the Company concentrates on the academic development and loan for cane farmers which are well-received. The participated cane farmers increase gradually every year from 5,665 farmers to 9,000 farmers in 2013 and estimated to be 10,000 in 2014 cause cane growing area increase from 129,000 Rai in 2013 to 170,000 Rai in 2014. Most of cane farmers are skillful in cane growing, proficient in occupation, and ready to develop themselves together with the factory which resulted in an increase of an amount of sugarcane crushed. The Company manages its sugarcane procurement via contract farming. By providing fund, fertilizer, chemical, sugarcane variety, or other agricultural machinery, the Company is able to secure future sugarcane ownership in 50 kilometers area around the factory before cane crushing season. Additionally, the Company aims to keep good relationship with farmers by sending 10 teams of agricultural extension officers to make a field research at each plot, recommend suitable sugarcane variety, manage soil and water condition, and help take care of each cultivation period from growing to harvest and distribution. The actions make certain that farmers can produce quality sugarcane, gain more crop yield, receive steady revenue, and become respectable alliance with the Company.

Through indicated management, BSF has never faced scarcity of sugarcane in cane crushing season. Moreover, zoning among sugar factories in the areas of Buriram, Surin, and Nakhon Ratchasima has been established to prevent purchasing competition between the sugar factories.

- Table shown cane growing area, amount of cane crushed, and number of contractor which receive support

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15 (estimated)
Growing area (Rai)	90,000	98,000	118,000	107,900	129,000	168,000	178,000
Amount of Cane crushed (million ton)	0.96	1.17	1.58	1.48	1.75	1.77	2.25
Number of contractor (person)	4,540	4,460	5,665	6,000	9,000	15,000	15,500

Source : the Company

• Production efficiency and sweet quality

The Company place importance from area selection, cane variety preparation, soil analysis, growing and caring, and quality harvest (proper age, variety, and freshness). The caring of cane from receiving support until growth cause farmer to be able to produce high quality cane. BSF is capable of producing sugar more efficiently compared to industry average as shown below:

Propotion of sugar per ton cane

(kg per 1 ton cane)

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15 (estimated)
BSF	111.46	112.05	101.91	109.55	105.00	117.66	117.00
Industry average	106.63	108.13	101.17	101.33	100.28	100.93	N.A.

Source: the Company

Aside from fine cane, the Company also focuses on improving efficiency of machines which are controlled by computer system, from transport cane for crushing to sugar packing. The Company also inspects quality of each process and appoints international food quality inspection firms to inspect quality of sugar in the last process before distribution. Additionally, cumulative experience and expertise more than 50 years make the Company capable to produce high-class sugar.

• Resourceful sugarcane farm management

BRD use online information system and satellite system to survey cane growing area. The information can be accessed through mobile phone or website including all cane growing activities and plot management, from plot area measuring to queueing which make promotion work correct and fast as well as receive fine cane. The Company's promoters also monitor and solve farmers' problem to help farmers gain more product at required quality.

• Create satisfaction and maintain good relationship with customers

The Company places importance on customer satisfaction via surveying sugar market in each area, studying popularity of each sugar brand, researching customer behavior and demand in each area, being open for suggestion and complain, as well as provide satisfaction questionnaire every 3 months to improve, amend, and develop products and services continuously to ensure that customers can have confidence and trust in the Company's efficient production processes and services.

Nature of customers and distribution channel

BSF distributes sugar to both domestic and international customers, brown sugar for domestic distribution and primarily raw sugar for international market. In the previous 3 years, proportions of revenues from domestic and international market are as follows:

	2011*		2012		2013		2014	
	Million baht	%	Million baht	%	Million baht	%	Million baht	%
<u>Domestic</u>								
Brown sugar	606.81	21.06	899.05	28.37	886.64	28.84	908.37	29.90
<u>International</u>								
Brown sugar	146.09	5.07	179.58	5.67	-	-	-	-
Raw sugar	2,127.71	73.87	2,090.25	65.96	2,188.11	71.16	2,129.35	70.10
<u>total</u>	2,880.61	100.00	3,168.88	100.00	3,074.75	100.00	3,037.72	100.00

Remark : In 2010, the Factory operated under Buriram Sugar Co., Ltd. but change to Buriram Sugar Factory Co., Ltd. in November, 2011.

Target customer and distribution channel

1. Domestic sales (Quota A)

BSF distributes brown sugar to domestic customers via distributor or sells directly to consumers in local community and nearby areas in Buriram and other upcountry province. BSF sells sugar in various package sizes which are 1kg, 50kg, 1kg in 50kg sack, 500g, 500g in 25kg sack, and 1kg in 25kg sack under "Double Key" brand. Buyers obtain products in front of the factory.

Distributors are likely to buy 50kg sugar from BSF to resell to consumers. Since this sugar distribution channel is very competitive, BSF's sales department monitors sugar demand constantly, conducts customer satisfaction surveys every 3 months, and initiate sales promotion to maintain market share for this customer group. Distributor may request product 3-4 days in advance or receive orders from customer daily. Thanks to strong relationship between BSF and its customers, current customers are long-time customers who have confidence in quality and on-time delivery of the products. To expand sales and customer base, BSF try to reach new customers who have potential to efficiently obtain and distribute products in each area via market survey in various provinces to seek major distributors continuously.

Following table shown ratio of domestic distribution channels of BSF.

	2011*		2012		2013		2014	
	Million baht	%	Million baht	%	Million baht	%	Million baht	%
Distributor	606.81	100.00	899.05	100.00	886.64	100.00	908.37	100.00
Total revenue	606.81	100.00	899.05	100.00	886.64	100.00	908.37	100.00

Remark : In 2010, the Factory operated under Buriram Sugar Co., Ltd. but change to Buriram Sugar Factory Co., Ltd. in November, 2011.

Source : the Company

2. International sugar trade (Quota B and C)

In sugar export, Quota B is the raw sugar in the amount that The Office of the Cane and Sugar Board decides and exports via Thai Cane and Sugar Co., Ltd. Quota C is the remaining sugar from Quota A and B by which BSF can export through seven authorized exporting companies. The Company associated with other nineteen sugar factories found The Thai Sugar Trading Co., Ltd. to be a representative for sugar export of BSF. The Thai Sugar Trading Co., Ltd. has responsibilities as follows:

- The Thai Sugar Trading Co., Ltd. delivers products, provided necessary documents for export and Customs procedures, as well as collects money from BSF's customer.
- The Thai Sugar Trading Co., Ltd. signs loan contract for BSF export with a commercial bank on behalf of The Thai Sugar Trading Co., Ltd. for financial support.
- The Thai Sugar Trading Co., Ltd. will transfer amount of money received from export loan with the commercial bank to BSF. BSF then issues promissory note to The Thai Sugar Trading Co., Ltd. as evidence on transaction. The interest rate that BSF pay to The Thai Sugar Trading Co., Ltd. in the promissory note is same as interest rate that The Thai Sugar Trading Co., Ltd. pay to the commercial bank.

For international trading of Quota C, BSF will make a contract for each transaction. A contract last approximately 3 months and specify a quantity of sugar required to deliver without specific price. The price of products delivered will be set later based on world market price at delivering date. Most customers of BSF are large international wholesaler like Bunge Louis Dreyfus Sucden, Olam Wilmar, and etc. who have good financial position. The inspection of customers' financial position will be performed through The Thai Sugar Trading Co., Ltd.

Pricing policy

1. Domestic sales (Quota A)

Two Thai ministries are responsible for determining domestic sugar price. Ministry of Industry by Office of The Cane and Sugar Board set sugar price for selling at factories' front while Ministry of Commerce by Central Board on Prices of Goods and Services set sugar price for retail. The announcement of Central Board on Prices of Goods and Services on January 27, 2014 determine sugar price for each delivering place and selling area as follows:

1.1 Wholesale price (including sac) delivered at factory every area of Thailand

Refined sugar per sac (net sugar quantity 50kg)	1,070.00 Baht
White sugar grade 1 and 2 per sac (net sugar quantity 50kg)	1,016.50 Baht
White sugar grade 3 per sac (net sugar quantity 50kg)	1,016.50 Baht

1.2 Wholesale price (including sac) delivered at wholesalers' store every area of Thailand

Refined sugar per sac (net sugar quantity 50kg)	1,104.75 Baht
White sugar grade 1 and 2 per sac (net sugar quantity 50kg)	1,051.25 Baht
White sugar grade 3 per sac (net sugar quantity 50kg)	1,038.00 Baht

1.3 Retail price in Bangkok, Nonthaburi, Pathum Thani, Samut Prakan, and Samut Sakhon

Refined sugar per kg (net sugar quantity 1kg)	22.85 Baht
White sugar grade 1 and 2 per kg (net sugar quantity 1kg)	21.85 Baht
White sugar grade 3 (brown sugar) per kg (net sugar quantity 1kg)	21.35 Baht

If there's separation of sugar to 1kg package, price of the package can not exceed 0.70 Baht per kg and 0.75 Baht per kg for wholesale and retail correspondingly, for example, selling price of refined sugar in 1kg package in Bangkok equal to $22.85 + 0.75 = 23.60$ Baht and 23.50 Baht in other areas.

Source : Office of The Cane and Sugar Board

2. International sales (Quota B and C)

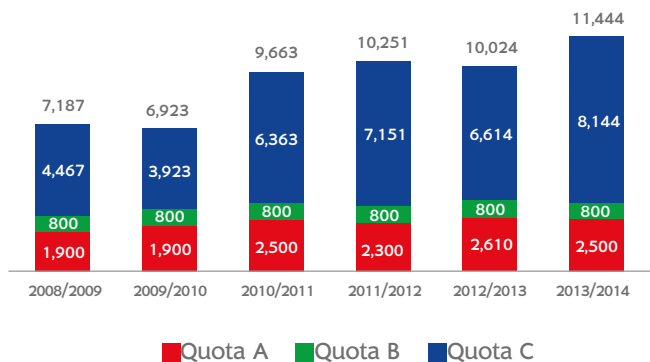
Selling price of Quota B

International sugar sales volume of Quota B is determined by Thai Cane and Sugar Co., Ltd. ergo, Thai Cane and Sugar Co., Ltd. is the organization that decide export sugar price. The Company also sets policy on sales proportion, selling price, and exchange rate approximated to The Cane and Sugar Board to reduce risk from fluctuating of sugar price and exchange rate.

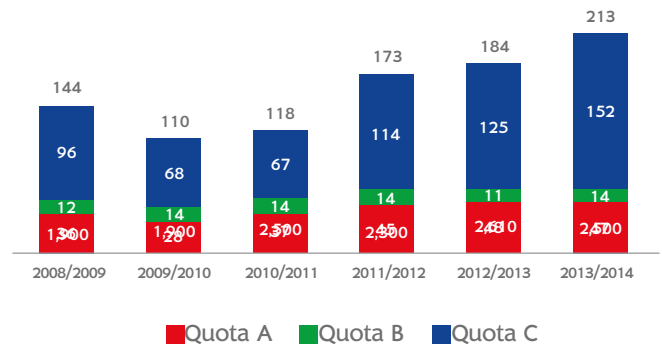
Selling price of Quota C

The Company set policy on international sugar selling price based on world market, for example, New York Sugar No.11 future price and London Sugar No.5 future price.

Sugar production by Quota (thousand tons)



Sugar production of the Company by Quota (thousand tons)



Source : Office of The Cane and Sugar Board announcement

* Data from The Cane and Sugar Board announcement about type and volume of sugar required factories to produce for 2013/2014 which is not final version (not yet announce) resulted in variation of sugar volume shown.

Sugar Industry's Market Situation

1) Overall picture of World's Sugar Industry

1.1) World Sugar Supply and Demand

Unit: Million Ton

	World Sugar's Production Consumption and Stock (October — September)								
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15 ¹
Production	166.437	166.561	151.656	159.132	165.473	174.785	184.443	181.404	178.743
Consumption	153.709	160.873	161.734	162.027	162.438	167.892	172.153	175.176	176.834
Stock	62.136	70.677	71.706	60.212	57.004	58.348	64.764	72.594	77.270

Source: World Sugar Balances 2005-06 — 2014/15 F.O. Lich's International Sugar and Sweetener Report, 30.10.2014

Note: 1. Estimated

World sugar's supply and demand in 2014/15 crop year is moving into equilibrium state with slight surplus. Price is expected to gradually move up, though there are some concerns over Brazilian big crop and India's recent export subsidy.

1.2) World Sugar Industry

Unit: Million Ton¹

Big Players	Sugar Production (October - September)				
	2010/11	2011/12	2012/13	2013/14	2014/15 ²
Brazil	38.72	35.29	41.16	39.67	36.06
India	26.50	28.63	27.33	26.53	27.00
China	11.36	12.51	14.19	14.47	13.35
European Union (EU)	15.89	19.06	17.44	17.00	18.60
USA	7.09	7.70	8.14	7.63	7.74
Thai	9.91	10.56	10.34	11.63	10.50
Australia	3.74	3.62	5.03	4.40	4.51

Source : World Sugar Balances 2005-06-2014/15 F.O. Lich's International Sugar and Sweetener Report, 30.10.2014

Notes : 1. Metric Ton Raw Value

2. Estimated

1.3) World's Key Sugar Consumers

Unit: Million Ton¹

Key Sugar Consumers	Consumption (October — September)				
	2010/11	2011/12	2012/13	2013/14	2014/15 ²
India	22.64	24.45	25.54	26.10	26.50
European Union (EU)	19.07	18.95	18.94	18.85	19.17
China	14.73	15.30	15.76	16.20	16.70
Brazil	12.65	12.63	12.67	12.70	12.76
USA	10.37	10.20	10.91	11.30	11.00
Indonesia	5.58	5.68	5.94	6.21	6.30

Source : World Sugar Balances 2005-06-2014/15 F.O. Licth's International Sugar and Sweetener Report, 30.10.2014

Notes : 1. Metric Ton Raw Value
2. Estimated

India and China, with their robust economic growth and large populations, are the biggest sugar consuming nations.

1.4) World's Key Sugar Exporters

Unit: Million Ton¹

Key Sugar Exporter	Exports (October — September)				
	2010/11	2011/12	2012/13	2013/14	2014/15 ²
Brazil	27.06	22.05	29.66	24.72	24.83
Thai	6.12	7.26	7.09	8.36	8.00
Australia	2.11	2.57	3.09	3.38	3.33
Guatemala	1.38	1.66	2	1.80	1.96
India	2.82	3.79	1	2.78	1.50
Other Countries	21.84	23.34	24.41	23.56	23.17

Sources : 1. World Sugar Balances 2005-06-2014/15 F.O. Licth's International Sugar and Sweetener Report, 30.10.2014
2. Office of Cane and Sugar Board

Notes : 1. Metric Ton Raw Value
2. Estimated

Though its export figure is 3 time behind Brazil, Thailand's role in the world sugar market is significant and has increased steadily per its rising export figures.

1.5) World Important Sugar Importers

Unit: Million Ton¹

Sugar Importers	Imports (October — September)				
	2010/11	2011/12	2012/13	2013/14	2014/15 ²
Indonesia	3.13	2.80	3.81	3.24	3.65
USA	3.31	3.35	2.97	3.36	3.60
China	2.09	4.29	3.68	4.05	2.50
United Arab Emirate	1.77	2.08	2.27	2.30	2.30
Malaysia	1.71	1.93	1.92	1.96	1.91
Others	47.63	45.74	48.14	47.22	47.33

Sources : 1. World Sugar Balances 2005-06 — 2014/15 F.O. Lich's International Sugar and Sweetener Report, 30.10.2014
2. Office of Cane and Sugar Board

Note s: 1. Metric Ton Raw Value
2. Estimated

With the entry into force of ASEAN Economic Community (AEC) and the enforcement of commitments under ASEAN Trade in Goods Agreement (ATIGA), Thailand stands to gain from the opening up of market access for sugar.

2) Thailand and World Sugar Market

Thailand has long been Asia and ASEAN's number one sugar exporter. On the world scale, Thailand is second after Brazil. With its geographical location in Asia, the world biggest deficit region of around 10 million tons a year, Thailand has some advantage over its main rival, Brazil and Australia. Nonetheless, it has been forecasted that in 2020 gap between demand and supply will reach 15 million tons. This provides opportunity for Thai sugar exporters to fulfill the rising demand

2.1) Thailand's Sugar Export Destinations

Unit: Ton

Countries	Exports			
	2010	2011	2012	2013
Indonesia	1,309,498	1,366,094	1,898,087	1,781,115
Japan	520,545	1,080,190	847,580	754,252
Cambodia	388,134	391,648	599,571	651,578
China	24,124	307,119	965,491	262,678
Malaysia	151,161	343,702	448,081	326,163
Others	2,031,306	3,224,271	2,723,936	2,785,941
Total	4,424,768	6,713,024	7,482,746	6,561,727

Source : Thai Sugar Millers Corporation Limited

2.2) Sugar Price Record



On February 2, 2011, New York No. 11 sugar price hit 36 cent/pound, the highest record in decade. Since the price hike, sugar producing nations had expanded their capacities and cane growers had also increased their cane acreages leading to big global surplus. As a result, the price gradually fall and touched 14 cent/pound in late 2014. However, several research houses have recently predicted that sugar demand is to set to exceed supply in 2016. World sugar will enter deficit period from next year and price is expected to rise accordingly.

2.3) Thai Sugar Industry and Its Commitments under FTAs

As world No. 2 sugar exporter and its geographical proximity to Asia, the biggest sugar consuming region with approximately 10 million tons of sugar demand over supply, Thailand has some comparative advantages over its main rivals, namely Brazil and Australia. Besides, the entry into force of several bilateral, regional and multilateral free trade agreements, the Thai government has committed with others to liberalize as well as enhance its economic sector competitiveness, is the main mechanism for sugar markets expansion per se. Important FTAs include

2.3.1) ASEAN Economic Community (AEC)

Established in 1992 by ASEAN's head of states, ASEAN Free Trade Agreement (AFTA) was formed to enhance ASEAN members' competitive advantage as an integrated production and market base. The main objective is to liberalize trade through the elimination of intra-regional tariffs and non-tariff barriers (NTBs) and the restructuring of customs duty to facilitate intra-ASEAN trade using Common Effective Preferential Tariff (CEPT) Agreement as a tool.

In 2007, CEPT was reviewed and finally changed to ASEAN Trade in Goods Agreement (ATIGA) which entered into force in May 2014 with the aim to cover every aspect of trade issues to prepare ASEAN members for smooth transition to ASEAN Economic Community (AEC) in early 2016. As a more comprehensive legal instrument, ATIGA's commitments and tariffs reduction framework are stricter than CEPT in order to prevent members, particularly the six original members from evade their obligations, while providing some flexibility for new members or CLMV.

The opening up of markets under AFTA then ATIGA for Thailand, if succeed , would greatly benefit Thai cane growers and sugar industry as a whole rather than harmful. The objective of ASEAN trade liberalization is to create single production base for Asia in parallel with the building of social and cultural harmony among members. If ASEAN become a production base for food, beverage and other sugar related businesses, it will strengthen regional cane and sugar industry. Besides, extension businesses include bio-energy, bio-chemical and bio-plastic would add values and attract investment to ASEAN.

Under the obligation of ASEAN trade liberalization, cane growers and sugar mills have to enhance their efficiency to ensure their competitiveness. Cane growers need to understand the changing business environment in the region. They should focus their effort on cane growing development to reduce cost and increase yield in comparison to high standard sugar exporting nations-Brazil and Australia. Sugar mills have to upgrade their production standard to match their rivals in parallel with the effort to preserve national resources and environment. They both have to monitor the movement of sugar market and the progress of technology.

Challenging factor for Thai's cane and sugar industry is the need to restructure its sugar regime especially the domestic quota and price management in consistent with obligation under ATIGA. However, any changing policy must address the benefits of all concerned parties-consumers, cane growers and sugar mills. Cane growers and sugar mills may also have to take risk from the fluctuation of world sugar price despite the fact that the chance of low sugar price barely exists due to Asian economic growth and strong sugar consumption demand.

ASEAN Economic Community poses both opportunity and challenge to Thai's cane and sugar industry. As Asia's No. 1 and World No. 2 sugar exporter, the industry has to adjust to change to stay ahead of its competitors.

2.3.2) ASEAN-South Korea Free Trade Agreement

The reduction of raw sugar tariffs under ASEAN-South Korea FTA benefits Thailand the most as South Korea is one of Asia major raw sugar importers. Each year, South Korea imports around 1.6 million tons of raw sugar and 500-20,000 tons of white sugar. In 2013, Thailand shipped 527,895 tons of sugar to this destination. Tariffs reduction under this FTA gives Thai sugar advantages over other exporters.

2.4) Domestic Sugar Industry

Governed by Cane and Sugar ACT 1984, each year Cane and Sugar Board will decide the amount of sugar ;to be sold domestically (Quota A). Each sugar mill will be allocated their proportion of Quota A sugar by their cane crushing records and capacities. Sugar retail price is to be determined by Ministry of Commerce according to Price of Goods and Services Act 1992.

In 2013/14 crushing season, Thailand has 50 sugar mills with crushing capacity of 110 million tons/year. Over 10 million tons of sugar were produced during the crushing season starting from November to April.

Thai Sugar Groups and Companies

Group	No. of Factory	Sugar Production (Ton)	Share (%)
Mitr Phol	6	2,303,719	20.33
Thai Roong Ruang	7	1,752,163	15.46
KTIS	3	1,055,148	9.31
KSL	5	906,122	8.00
Wangkanai	4	700,668	6.18
Korach	2	674,169	5.95
Banpong	2	462,233	4.08
Erawan	2	540,535	4.77
Kumphawapi	2	368,661	3.25
Chonburi	4	377,316	3.33
BRR	1	207,138	1.83
Others	13	1,985,043	17.52
Total	51	11,332,915	100

Source : Office of Cane and Sugar Board's Production Report

Risk Factors

Risk from business operation of the Company.

Business of the Company and its subsidiaries are as follows:

1. Raw sugar and brown sugar manufacturing and distribution operated by Buriram Sugar Factory Co., Ltd. ("BSF")
2. Byproduct business as follows:
 - Biomass power plant operated by Buriram Energy Co., Ltd. ("BEC") and Buriram Power Co., Ltd. ("BPC") and
 - Organic fertilizer manufacturing and distribution business operated by Key Brand Fertilizer Co., Ltd. ("KBF")
3. Supporting business operated by Buriram Sugarcane Research and Development Co., Ltd. ("BRD")

Risk from business operation of Buriram Sugar Factory Co., Ltd. ("BSF")

1.1 Risk Factors from Raw Material Sourcing

The Company's business is to run factories to product raw sugar and brown sugar which use sugarcane as raw material; however, the Company doesn't possess enough supply of sugarcane for the production by its own. To afford sufficient sugarcane available for crushing is the most important factor affecting the operations and the performance of the Company. The quantity of sugarcane available each season is depended on these main factors:

(a) Changes in the acreage under sugarcane plantation may depend on the price agreed for the cane and whether it is worthwhile for the farmers to grow sugarcane compared to other agricultural crops as well as the promotional policies of the government like zoning. Buriram is one of the pioneer provinces to change from rice plantation to sugarcane plantation according to Thailand Ministry of Agriculture and Cooperatives. Additionally, the Company has surveyed and evaluated the fluctuation and has worked out solutions for needed area. Between 2010 and 2014, Buriram sugarcane plantation has increased steadily with more farmer products per acre every year.

(b) Climate, rainfall, irrigation, soil fertility, sugarcane varieties, and other sugarcane disease altogether affect the crop yield of sugarcane. The fluctuation of each factor can cause agricultural output diminution. The Company has supported sugarcane watering during dry season through drip irrigation system in sugarcane farm. Via cooperation with The Office of the Cane and Sugar Fund, the Company has offered long-term loan with 2% interest rate per annum.

(c) Risk from soil fertility quality the Company has in place a policy that focus on soil improvement in sugarcane plantation area, for example, harvesting without setting fire to preserve organic matter, adjusting pH for fertilizer efficiency, and using filter cake-based fertilizer which is a byproduct of sugar production. Since the policy implementation, the agricultural output of sugarcane increase gradually from 8-9 tons/Rai during 2004-2010 to 12-13 tons/Rai during 2011-2014.

(d) Risk from sugarcane varieties the Company has carefully chosen sugarcane variety that appropriate for the plantation area, has had sugarcane testing area, has selected new sugarcane variety to replace deteriorated variety, and has chosen sugarcane variety that provides more sugar per cane and offer farmers higher return.

(e) Local sugarcane purchasing competition If nearby sugar factory offers higher sugarcane price than BSF's price to a farmer, the farmer may trade their sugarcane to that factory instead. This reduces amount of BSF's sugarcane crushed. BRD manage sugarcane procurement via contract. By providing fund, fertilizer, chemical, sugarcane variety, or other agricultural machinery, the Company is able to secure future sugarcane ownership in 50 kilometers area around the factory before cane crushing season. Additionally, BRD aims to keep good relationship with farmers by sending 17 teams of agricultural extension officers to make a field research at each plot, recommend suitable sugarcane variety, manage soil and water condition, and help take care of each cultivation period from growing to harvest to distribute to BSF by using online and GPS system to ensure that every sugarcane plot is monitored and supported appropriately. The actions make certain that farmers can produce quality sugarcane, gain more crop yield, receive steady revenue, and become respectable alliance with the Company. BRD is also capable to procure sugarcane

from out of supporting area. Through indicated management, BSF has never faced scarcity of sugarcane in cane crushing season.

Moreover, zoning among sugar factories in the areas of Buriram, Surin, and Nakhon Ratchasima has been established to prevent purchasing competition between the sugar factories.

1.2 Risk from fluctuating sugar prices in global market

For sugar trading in global market, sugar is one of the agricultural products that highly fluctuate compared to other agricultural products. Fluctuation of global sugar price depends on demand and supply of sugar-manufacturing nations, of consuming nations, exporters and importers, speculation of some traders in commodity market, proper climate for cultivation, as well as national policy which may support or restrict export and import of government sugar industry especially for developed nations. Additionally, sugar price currently corresponds to fuel price since cane juice and molasses can be used to manufacture ethanol which can be mixed with oil for automobile fuel. The specified factors result in high fluctuation of global sugar price.

For each Thai sugar factory to export sugar, the export must be accomplished through agency company, according to Quota C of the Regulation of the Cane and Sugar Board regarding Criteria, Methods and Conditions on Permission on Sugar Export, B.E. 2550. And the factory has to allocate the amount of sugar for domestic consumption in accordance with Quota A first. The amount of sugar allocation for Quota A is estimated by The Sugar Board and depended on the amount of sugar production capacity in the corresponding season. The regulation causes the export and the domestic sale rate of each sugar factories to be approximate. In 2013 and 2014, the Company had revenues from sugar export account for 71% and 77% of the total revenue consecutively. The export price is primarily based on international sugar price which depend on demand and supply of overall global market. Hence, the Company's revenue highly depends on the variation of sugar price. In 2014, the average volatility of sugar price is 16.34 cent/pond

Average price of raw sugar of New York Sugar No. 11

Fiscal year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Average price (Cent/pond)	7.4	9.99	14.63	9.9	12.1	17.98	22.28	27.07	21.57	17.47	16.34

Average price of white sugar of London Sugar No. 5

Fiscal year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Average price (US\$/ton)	227	279.63	421.66	309.55	351.59	487.39	616.49	706.07	587.74	496.58	439.30

Source: Bloomberg

Since primary cost of sugar manufacturing is sugarcane price which depends on the Company's revenue (The cane and sugar industry in Thailand is regulated under a 70:30 revenue sharing scheme between sugarcane farmers and sugar mills.). Hence, if international sugar price drops, cost of sugarcane purchasing from farmers will fall too at 70% of benefit allocation. However, the Company decided to invest in some related projects, e.g. bagasse-based power plant and organic fertilizerplant; hereafter, the Company anticipates that the operating results would be less affected by the global sugar prices.

1.3 Risk of Bad Debts Arising from Credit Given to Farmers (Advance Credit)

BRD/BSF supports the sugarcane farmers to grow the sugarcane to be supplied to the factory via advance credit for each plot and growth activity of sugarcane. The company uses database system and global position system (GPS) to survey the sugarcane plantation areas, which allow every area to be tracked, monitored, and aided according to real condition.

The support is in the form of post-dated cheque to let the farmers invest in sugarcane variety, land, irrigation, or fertilizer. The credit support helps reserve sugarcane for crushing. After the sugarcane crop is ready for harvesting and the sugar factory is ready to start crushing the cane, the farmers harvest the cane and send it to the sugar factory and receive payment for the value of the cane supplied after the advance credit and other financial support given is deducted. The risks that are generated from such sugarcane credit can come from reduced production in any year due to drought conditions, losses from crop disease and pestilence, etc. Such liabilities, arising from advance credit, can undesirably affect the BSF's

operation performance requiring higher amounts of provisioning for bad debts. During 2011 to 2014, the Company estimates allowance for doubtful account as follows:

(unit: million baht)

	2011	2012	2013	2014
allowance for doubtful account	6.41	-	20.33	1.05
Farmers account receivable	560.61	975.21	1,135.29	880.68
Percentage of doubtful account	1.14	-	1.79	0.11

The ratio of allowance for doubtful account between 2011 and 2014 is approximately 0.76% of farmers account receivable. The Company has valued the risk management of advance credit; so it is controlled, starting from the process of granting the credit line to the debt collection system. The Company establishes the advance loan management committee to be in charge of approving such advance loans to sugarcane farmers by considering sugarcane planting areas, anticipated quantities of sugarcane grown, records of sugarcane delivery, and debt repayment of each debtor. The Company has regularly sent agricultural extension officers to attend to sugarcane farmers who receive the advance credit granted by the Company. A Global Positioning System (GPS) has been used to survey and measure the sugarcane planting areas in order to get the accurate information about sugarcane planting process, and to help detect and solve problems in time.

1.4 Foreign exchange risk

The Company recognizes approximately 71% and 77% of its sugar export revenue as US\$, ergo the Company's revenue fluctuates according to the exchange rate of Thai Baht and US\$.

However, the Company has applied risk avoidance measure by signing future foreign exchange contract based on exchange rate of Thai Cane and Sugar Co., Ltd. for Quota B. However, the method depends on the Board of Directors' discretion and exchange rate forecasting. And such risk preventive measure might not be able to prevent the risk if Thai Bath appreciates for long duration.

1.5 Risk from government control

1.5.1 Risk from Government Policy

The sugarcane and sugar industry in Thailand is under the supervision and control of the Office of the Cane and Sugar Board under the Cane and Sugar Act 1984. The Board regulates the management of sugarcane plantation area, the amount of sugar produced by a quota system (Quota A for domestic sales, Quota B and C for sugar exports), controls the domestic price, regulates on the ratio of distribution of revenue from the sugar business between the farmers and sugar factories, with the revenues sharing in the ratio of 70:30, controls on the entry of new players in the sugar business etc. It is evident that the rules and regulations enacted by the Cane and Sugar Board have an impact on the production costs and the operations of the Company. The Minister of Industry, the Minister of Agriculture and Cooperative, and the Minister of Commerce are responsible for maintaining the regulatory compliance. In case, changes in the domestic sugar prices or changes in regulation of entire sugar industry, it will have a definite impact on the operations of performance of the Company and other companies in the sugar industry.

There is possible risk from diminution of restriction to emancipate cane and sugar industry in accordance with obligation between Thai and other nations such as ASEAN FTA, Bilateral FTA, Regional Comprehensive Economic Partnership, as well as multilateral framework like WTO. Encompassing FTA is both an opportunity and a challenge for cane and sugar industry which should be monitoring closely.

The sugarcane and sugar industry is a precursor of the food and processed food industries. Also cane sugar is a commodity product that has been exported throughout the world. Hence, the Company realizes the importance of government policies in shaping directions of cane and sugar industry and believes that the policies and its future change exist to provide a positive impact for the industry, farmers, and sugar factories themselves.

1.5.2 Risk of the Fluctuating Income from Sugar Sales

Normally, the sugarcane harvesting period in Thailand starts from November to April. Consequently, the factory usually starts selling sugar products from December up to the end of the harvesting period. However, the Company will distribute sugar for domestic consumption (Quota A) in succession in 52 weeks. For international trade (Quota C), the Company always considers various factors in its sugar sales, such as inventory, expected production, Cane and Sugar Board international price (Quota B), and world sugar prices to be used as a standard for determining the Company export price. Since the Company's sugar sales for each quarter are not constant, the revenue from the Company's sugar distribution for each quarter may rise or decline depending on the previously specified factors and sales quantity in each quarter.

1.6 Risk from raw material cost

The cane and sugar industry in Thailand is regulated under a 70:30 revenue sharing scheme between sugarcane farmers and sugar mills. The sugarcane prices are regularly calculated by the Cane and Sugar Board to allocate 70 % of the sugar industry lump sum revenue to the sugarcane farmers. The Cane and Sugar Board calculates the revenue to be paid to those sugarcane farmers with reference to the average sugar selling prices of Thai Cane & Sugar Corporation Ltd.

If the Company fails to trade sugar to the foreign markets (Quota C) at a price higher than the average price actually sold by Thai Cane & Sugar Corporation Ltd., the Company must pay the high price of sugarcane if compared with its sales sum; this can make its profit margin and net profit plunge.

Nevertheless, the Company sets up the risk management by closely monitoring the period and sales volume of Thai Cane & Sugar Co., Ltd. to ensure that the Company sells some sugar at an appropriate rate compared to Thai Cane & Sugar Co., Ltd.

Risk from Byproduct Business Operation

Biomass Power Plant Business operated by Buriram Energy Co., Ltd. (BEC)

1.1 Risk from insufficiency of fuel material for electricity generation

Currently, Buriram Sugar Factory Co., Ltd. or BSF provides of bagasse which is a byproduct of sugar manufacturing to BEC to be used as a biofuel for electricity generation. As a result, if an amount of seasonal sugarcane is low, an amount of bagasse delivered to the power plant will be affected. The scarcity risk may result in an interruption of the electricity generation. Presently, bagasse from the Company's sugar manufacturing accounts for 26% of weight of sugarcane crushed. In 2014/2015, the Company possess byproduct bagasse approximately 520,000 tons which the sugar factory uses 250,000 tons to generate heat for sugar manufacturing process and the power plant demands 430 tons/day or 129,000 tons/year to generate electricity sufficiently. However, the demand is going to increase from additional power plant construction of BPC. Approximately, molasses demand will raise about 130,000 tons/year or rise to totally 510,000 tons/year. If an amount of cane crushed is less than 2,000,000 tons, molasses quantity may not be sufficient for full capacity electricity generation.

Additionally, the Company's machineries can utilize other substitutable fuel materials such as woodchips or chaff to generate electricity; hence the risk from scarcity of fuel material can be competently controlled. Nevertheless, use of substitute fuel materials may result in rise of cost of electricity generation which in turn affects the Company's net profit.

1.2 Risk from Environmental Impact

The Company's electricity generation business is in compliance with environmental laws and regulations which covered pollution control procedures in land, water, and air. From past to present, the Company has put in place measures to ensure the prevention of environmental impact such as substance drainage system, substance control system, wastewater management system, and waste elimination system. The Company also provides green space or open space reserve in the power plant project in 25-Rai area, utilizes wet scrubber system to reduce dust particle and monitors environmental impact to assure that the electricity generation process is in consistence with environmental laws and regulations.

In August 2012, Buriram Energy Co., Ltd. was awarded Green Power Plant Level 3 Certification under Green Industry Project, hosted by the Ministry of Industry Thailand which displayed an excellence in systematical environment management of the Company. Also there's continuous evaluation program to ensure unceasing development from the provincial Office of Industry and provincial industry colony.

Organic Fertilizer production and distribution business operated by Key Brand Fertilizer Co. Ltd. (KBF)

1.1 Risk from existing consumption behavior

Key Brand Fertilizer Co. Ltd. or KBF start producing organic fertilizer for farmers in December 2012. Most of the customers are farmers who have little knowledge of soil improvement by organic matter which help enhance chemical fertilizer and adjust physical and chemical condition of soil. Also, plant reacts to organic fertilizer slower than chemical fertilizer and organic fertilizer usage is more complicated; hence, Key Brand Fertilizer Co. Ltd. has cooperated with Buriram Sugarcane Research and Development Co., Ltd. to inform about organic fertilizer, create sample plot to simulate organic fertilizer usage, and distribute supported academic data to create a change of farmer behaviors.

However, Key Brand Fertilizer Co. Ltd. (KBF) and Buriram Sugarcane Research and Development Co., Ltd. (BRD) cooperate with academics to provide knowledge and understanding to farmers via fertilizer formula utilization workshop which will develop insight of fertilizer application efficiently.

1.2 Risk from Environmental Impact

KBF's fertilizer production and distribution business conducting is in accordance with laws and Fertilizer ACT B.E. 2535 Revised by Fertilizer ACT (No. 2) B.E. 2550 about quality control to preserve benefits of farmers and agriculture. The laws and act covers pollution control of land, water, air, and pollutant, trash and waste elimination, health and safety in the workplace, and dangerous material handling. However, the laws and act is intricate, constantly unstable, and highly dependent on subjective interpretations of related organizations. KBF has been authorized to build a factory and produce organic fertilizer legally according to related laws and regulations. The company also provides preventive measures to avoid environmental impacts, for example, utilizing dust collector chamber, using wet scrubber system, using water cannon vehicle around the factory, providing soundproof headband to reduce acoustic impact, and reusing sac. Because KBF's factory locates far from communities, KBF assure that risk from environmental impacts is low.

Other risks

1.1 Risk from high Debt to Equity ratio

In December 31, 2014 and 2013, the Company's D/E ratios are 1.71 and 5.14 consecutively. However, since the Company is a holding company, loan contracts with Siam Commercial Bank are signed by operating subsidiaries such as BSF, BEC, etc. which each subsidiary maintain D/E ratio separately. In December 31, 2014, D/E ratios of BSF and BEC are in compliance with loan contracts with Siam Commercial Bank. Also, the Company raises its expansion capital via IPO in the Stock Exchange of Thailand which reduce the Company's D/E ratio and diminish risk from high D/E ratio respectively.

1.2 Risk from the Company's Major Shareholders influence in administrative policies setting

Tangtrongwechakit family group and Buriram Capital Co., Ltd., which the group is a major shareholder, hold the Company shares totaled 77.95% of registered capital. The Tangtrongwechakit family group is also members of executive directors and directors who are authorized. The Company and/or the minor shareholders may risk to be influenced by the major shareholders. The major shareholders may freely set policy direction, control the policy and management, and direct the approval of shareholder meeting resolutions except some resolutions that require 3 out of 4 of total vote from the meeting in accordance with laws or the Company regulation; hence other shareholders may not be able to gather vote to inspect or balance power of the major shareholders.

However, for the company's transparency and power balancing, the company has provided internal audit department (In-House) which consisted of audit committee, outsourced audit company, and risk management office for checking the operations of the company, balancing decision power, and considering agendas before present to shareholders' meeting to prevent potential conflicts of interest and ensure transparency of the Company's operation.

Shareholding Structure

List of Top Ten Major Shareholders (register book closing date on December 31th, 2014)

	Shareholders	Shares	(%)
1	Buriram Capital Co., Ltd.	338,380,000	50.00
2	Mr. Anant Tangtongwechakit	27,507,500	4.06
3	Mrs. Wanphen Punyaniran	27,407,500	4.05
4	Mrs. Jirawan Pongpichitkul	27,407,500	4.05
5	Miss Chittima Tangtrongwechakit	27,407,500	4.05
6	Mr. Sarit Tangtrongwechakij	27,407,500	4.05
7	Mr. Adisak Tangtrongweachakit	27,407,500	4.05
8	Mr. Paiboon Sereewiwatthana	8,000,000	1.18
9	Mr. Pairoj Siwapornchai	6,274,450	0.93
10	Mr. Yanyong Phanwongklom	4,833,100	0.71
	Total	522,032,550	77.14

Corporate Social Responsibilities Policy of Buriram Sugar Public Company Limited

With respect to CSR policy of Buriram Sugar Public Company Limited, the Company is determined to develop its business sustainably and improve living condition of cane farmers and neighboring communities. Buriram Sugar Public Company Limited has set and directed CSR policy based on the original principle since found in 1964 which is "Business development together with environment protection and sustainable community improvement" under determination framework as follows:

CECS: Commitment, Environment, Community, Sustainable

- C - Commitment "Aim for commitment"
- E — Environment "Protect environment"
- C - Community "Toward goal with community"
- S — Sustainable "Live together sustainably"

Mission

Buriram Sugar Public Company Limited strongly valued importance of development of the business together with community and social sustainably via management of raw material promotion with excellence in knowledge to ensure raw materials security and better living conditions for cane growers. The raw material will be used to manufacture sugar in regarding to quality standard, safety, and environmental friendly according to associated laws and regulations. The byproduct from sugar manufacturing will be utilized to achieve maximum utility. To achieve the policies, the Company will

1. Thoroughly create understanding with stakeholders.
2. Develop strong relationships with stakeholders
3. Promote honorable culture and tradition with communities
4. Promote and support education.
5. Advocate environment management that doesn't affect stakeholders.
6. Disclose news to stakeholders consistently.

CSR operation strategies

CSR operation of Buriram Sugar Public Company Limited starts from internal and expands to neighboring communities, society, and nation. The 4 core strategies are:

1. Create awareness and volunteer-mindedness in employees and encourage the employees to participate in the Company's volunteer projects.
2. Focus on activities or CSR project with community intensively
3. Execute CSR project with private sectors, government offices, non-profit organization, and community in the area who is an idea leader.
4. Utilize byproduct from sugar manufacturing for CSR project which will benefit both the Company and social. From 2014, Buriram Sugar Public Company Limited intent to engage in development of society to create trust, acceptance, and reliance from community and people based on the principle "Business development together with environment protection and sustainable community improvement". The Company has developed project and activity with external organization both private sectors and government offices who is an idea leader. The projects have been intent to benefit community, private sectors, government offices and also the Company itself both directly and indirectly.

Public relation team of the Company is pleased to present CSR report of Buriram Sugar Public Company Limited which has arranged and organized several projects and activities in various aspects as follows:

Environmental

In August, 2014, Buriram Sugar Public Co., Ltd. organized The Perennial Plant Growing Project in Honor of Her Majesty `the Queen Sirikit to celebrate Her Majesty the Queen's birthday. The project covered area around the water treatment plant of Buriram sugar factory to increase green space which received kind cooperation from executives and employees.



Educational Aspect

In 2014, Buriram Sugar Public Co., Ltd., public relation team, and volunteer-minded employee from subsidiaries organized project "Return knowledge to youth #1" in schools located in 5 km area around the factory. The project aim to enlighten students about illegal drugs, waste segregation, and provide ice breaking activity between employees and between students. The project received well attention and support from participating schools. There're rewards for participating student. Also, the Company provided scholarship for several occasions. The Company plan to organize the project every year.



Cultural Promotion Aspect

Buriram Sugar group arranged several activities in religious day and local tradition around the factory such as water-pouring ceremony during Songkran festival, candle festival and almshouse on Buddhist Lent, Miss Nopphamat contest support in Loy Kratong festival, almshouse on the end of Buddhist lent, Dhe Vo Game sport event, and robes presentation for monks every year. The activities received kind cooperation from employees and community.



Health and living condition promotion of community and employees aspect

In the past year, Buriram Sugar group led by Buriram Sugar Public Co., Ltd. provided health check-up program for all employees in the Company and its subsidiaries. The check-up was well-received. The Company also provided health check-up to disabled people in the neighboring communities, fieldwork to research living condition of communities around the Company, clean drinking water for 12 communities in Hin Lek Fai district. The projects help improve communities' living condition and relationship between the factory and the communities.



Aside from activities in each aspect, the public relation team also arranged or supported other activities on several occasions which help improve image and relationship' between communities and Buriram Sugar group such as:

- Donated sugar to Buriram Red Cross Office to use as a reward for Red Cross Charity Lottery and helped arrange the exhibition in Buriram Red Cross event to publicize the organization.
- Participated in women's volleyball of Dhe Vo Game sport event organized by municipal government of Hin Lek Fai.
- Arranged farmer friendship sport event for farmers from each district to participate and meet.
- Organized internal sport event for employees to ease up on working fatigue via the year and improve relationship between subsidiaries.



- Big cleaning day event around the sugar factory which received kind cooperation from employees.
- Volunteer-minded house construction project cooperated with municipal government of Hin Lek Fai, Hin Lek Fire Tambon Health Promoting Hospital, and volunteer employees.
- Help employees whose house had been burnt by fire.



- Children's day event collaborated with the municipal government and 4 schools in Hin Lek Fai district.
- Donated refrigerator to Hin Lek Fire Tambon Health Promoting Hospital to store medical supplies in controlling temperature.
- Donated radio mast to Sokdoo village community, Hin Lek Fai district, Buriram.



- A number of external organizations and institutes paid a visit to observe and study the Company's operation such as:
 - The Stock Exchange of Thailand paid a visit to the factory.
 - Thai Roong Ruang Sugar Group Company paid a visit to the factory.
 - Northern Isan Cane Farmers Association, Udon Thani province paid a visit to the factory.
 - Ban Rai Sugar Industry Company and Lopburi Cane Farmers Association paid a visit to the factory.
 - Students from Buriram Rajabhat University paid a visit to the factory.
 - Buriram Polytechnic College paid a visit to the factory.
 - Northern Isan Cane Farmers Association, Udon Thani province paid a visit to the factory.
 - Ban Rai Sugar Industry Company and Lopburi Cane Farmers Association paid a visit to the factory.
 - Governor group from Cambodia paid a visit to the factory.
- The public relation team co-organized exhibition of B-CM Model: Buriram case Management Model project which Buriram Sugarcane Research and Development Co., Ltd. was a main organizer. The exhibition was officially opened by Mr. Seri Srihatri, Buriram provincial governor.



CSR in Process of Buriram Sugar Group

To ensure accomplishment of CSR and acceptance from society is to unite each and every activity in business operation in corresponding with corporate social responsibility conformingly or focus on CSR in-process which Buriram Sugarcane Research and Development Co., Ltd., one of Buriram Sugar group, highly placed importance on via following activities:

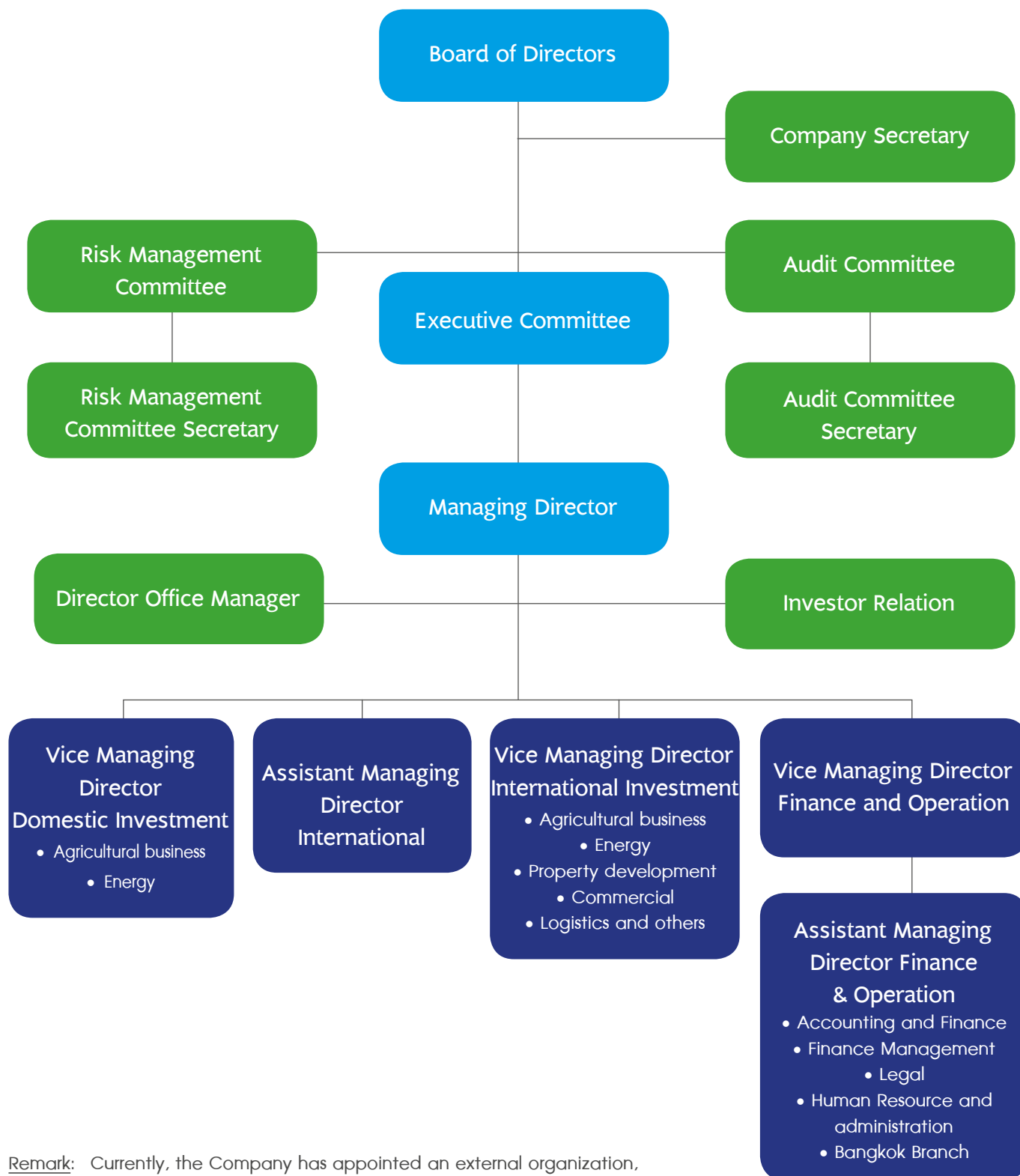
November 2014, Meeting and workshop events

No.	Meeting/Workshop topic	On	Amount (People)	Remark
1	Tools and equipments management in cane plot	October 22-23, 2014	80	At the Farmer School
2	2014/15 annual general meeting of Cane Farmer Association	November 4, 2014	All attending farmers	At the Cane Farmer Association
3	Workshop "Potential Development for Professional Promoter"	November 8-10, 2014	44	Ban Nhong Kuar Zone 2
4	Workshop "Front Promotion Executive for Cane and Farmer Sustainable Development"	November 21-23, 2014	24	At the Farmer School
5	Workshop "Soil and fertilizer management: Database and Buriram plantation model creation"	November 29, 2014	80	At the Farmer School
6	Workshop for new farmers zone 10.1, 10.2, and 9	November 28, 2014	49	At the Farmer School
7	Workshop for new farmers zone 6.1, 6.2, and 5	November 29, 2014	53	At the Farmer School

December 2014, Meeting and workshop events

No.	Meeting/Workshop topic	On	Amount (People)	Remark
1	Workshop for new farmers zone 1.2 and 2	December 2, 2014	59	At the Farmer School
2	Workshop for new farmers zone 3.1, 3.2, and 4	December 3, 2014	27	At the Farmer School
3	Workshop for new farmers zone 7.1, 7.2, 8.1, and 8.2	December 4, 2014	91	At the Farmer School
4	Workshop for new farmers zone 2	December 22, 2014	52	At the Farmer School
5	Workshop for new farmers zone 1.2, 3.1, 3.2, and 4	December 23, 2014	41	At the Farmer School
6	Workshop for new farmers zone 5, 6.1, and 6.2	December 24, 2014	28	At the Farmer School
7	Workshop for new farmers zone 7.1, 7.2, 8.1, 8.2, 9, and 24	December 25, 2014	59	At the Farmer School
8	Workshop for new farmers zone 10.1 and 10.2	December 26, 2014	46	At the Farmer School
	Total		403	

Management Structure



Remark: Currently, the Company has appointed an external organization, Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd., to inspect internal control system of the Company and its subsidiaries.

Management Structure

Management Structure of the Company consists of the Board of Directors and 3 Sub-Committees which are Audit Committee, Executive Committee, and Risk Management Committee

The Board of Directors

As of 31 December 2014 the Board of Directors consists of 9 members are included:

Name-Surname	Position
1. Mr. Prachuab Chaiyasan	Chairman of the Board of Directors, Independent Director, and Chairman of the Audit Committee
2. Mr. Anant Tangtongwechakit	Director and Managing Director
3. Mrs. Wanphen Punyaniran	Director
4. Mrs. Jirawan Pongpichitkul	Director
5. Miss Chittima Tangtrongwechakit	Director
6. Mr. Sarit Tangtrongwechakit	Director
7. Mr. Adisak Tangtrongweachakit	Director
8. Mrs. Seenual Tasanapant	Independent Director and Audit Committee
9. Mr. Sirichai Sombutsiri	Independent Director and Audit Committee

Miss Patthira Luengvilas was appointed as Company Secretary in the meeting of the Board of Directors No.9/2014 held on November 13, 2014

The authorized directors are:

1. Mr. Anant Tangtongwechakit
2. Mrs. Wanphen Punyaniran
3. Mrs. Jirawan Pongpichitkul
4. Miss Chittima Tangtrongwechakit
5. Mr. Sarit Tangtrongwechakit
6. Mr. Adisak Tangtrongweachakit

"Any two authorized directors co-sign their names and affix the Company's seal."

Terms

In an annual general meeting, one third of the directors are required to resign. If the total number of directors does not allow such division, the number of directors to resign should be at the closest to one third of the total. In the first and the second year after registering, the directors required to resign will be selected via lot. For following years, directors who have stayed the longest with the Board shall exit. The directors whose terms have completed may be reelected to the Board.

Scope of Duties and Responsibilities of the Board of Directors

1. To undertake and manage the Company responsibly, carefully, trustworthily, and in conformity with any and all related laws, objectives, and Articles of Association of the Company, as well as resolutions of the meetings of shareholders.
2. To consider and approve any significant matters related to the Company's business operations, e.g. vision, mission, policies, business strategies, goals and operating plans, financial targets, and budget of the Company and its subsidiaries.
3. To govern and care for the normal business operations of the Company; and to have the Management work efficiently and proficiently to be in line with the determined vision, mission, policies, business strategies, goals and operating plans, financial targets, and budget of the Company.
4. To provide the accounting system, financial reports and auditing; and to care for the internal control system, the internal audit system, the risk management system, and the misconduct prevention, as well as provide monitoring measure on operation performance of the Company, its subsidiaries, and its joint ventures in order to ensure that they are all efficient and proficient.

5. To prepare the annual reports of the Company and/or the Board of Directors in accordance with all related laws and regulations required.
6. To care for and provide a governing mechanism to prevent the potential conflicts of interest between any stakeholders and the Company, its subsidiaries, and its joint ventures.
7. To consider, approve, consider and give opinions for consideration and approved by the meeting of shareholders in case of making any transactions significantly to the Company or any connected transactions in accordance with the procedure, conditions, legal process and related rules and regulations and/or obligations required by the Company, its subsidiaries, and its joint ventures.
8. To appoint any of the Company's directors as the chairman of the board; and to appoint some directors subject to the number of the Board of Directors deems appropriately as the vice chairman.
9. To determine and amend the authorized directors of the Company.
10. To recruit and appoint a person with knowledge, competence and experience that the Board of Directors deems appropriately, and with all other qualifications required by related laws and regulations to hold a position of directorship in case any director vacate his office due to other reasons apart from the expiration of the term of office.
11. To recruit a person with knowledge, competence, experience and all other qualifications required by related laws and regulations to hold a position of directorship, and such person shall be nominated for the meeting of shareholders' consideration.
12. To appoint or nominate person to be director or executive in the subsidiaries and/or joint venture in proportion of shareholding in the subsidiaries and joint venture. Such appointed or nominated director or executive shall be legally qualified for duties and responsibilities as well as not possess any characteristics prohibited in accordance with announcement of the Securities and Exchange Commission.
13. To consider annual dividend payment and interim dividend payment of the Company and its subsidiaries.
14. To consider and set up the criteria of remuneration payment to the Company's directors and top management.
15. To consider appropriate amount of remuneration for directors of the Company in line with the criteria of remuneration payment set up by the Board of Directors which shall be proposed to the meeting of shareholders for consideration and approval.
16. To evaluate the work performance of the Managing Director and Top Management; to consider and set up the remuneration for the Top Management in line with the criteria of remuneration payment set up by the Board of Directors.
17. To appoint any sub-committees; to recruit and appoint the directors or persons having engaged the knowledge, competence and experience as the Board of Directors deems appropriately to hold positions in those sub-committees; and to lay down the scope of authority, duties and responsibilities of those sub-committees.
18. To appoint any of executive board members as the Managing Director; and to determine the scope of authority, duties and responsibilities of the Managing Director.
19. To appoint a director or person having engaging the qualifications, knowledge, competence and experience as the Board of Directors deems appropriately as the Company Secretary.
20. To appoint and/or empower one or several directors or persons to take any acts under the scope of directorship power and as the Board of Directors deems appropriately. However, such empowerment may be suspended, cancelled or altered.
21. To provide and care for the communication channels to connect with each group of shareholders and stake holders of the Company appropriately.
22. To care for the accuracy, completion, timing and transparent disclosure of important information related to the Company via fair and creditably accessible channels.

23. To set up and amend any matters prescribed in the regulations and Articles of Association of the Company.

24. To engage other power, duties and responsibilities as required by laws and other related regulations, Articles of Associations of the Company, and the resolutions of the meetings of shareholders.

In case that the Board of Directors or their authorized representative must carry out or enter into any transaction which may cause potential conflict of interest with the Company and/or its subsidiaries and/or related companies, the Board of Directors or their authorized representative will have no power to approve the specified transaction except the approval is in accordance with the policies and regulations which the Board of Directors and/or shareholder's meeting (case by case) has considered and approved under laws, regulations, objectives, or the Articles of Association of the Company.

Audit Committee

As of 31 December 2014 the Audit Committee consists of 3 members are included:

Name-Surname	Position
1. Mr. Prachuab Chaiyasan	Chairman of the Audit Committee
2. Mrs. Seenual Tasanapant	Audit Committee
3. Mr. Sirichai Sombutsiri	Audit Committee

Remark : Mrs. Seenual Tasanapant and Mr. Sirichai Sombutsiri are directors who possess knowledge and experience sufficient to be able to review credibility of financial statement.
Ms. Pornpip Winyupakorn was the secretary of the Audit Committee.

Terms

The Audit Committee's term lasts 3 years. Audit Committee whose terms have ended may be reelected to the Board. In case of a vacant position due to causes other than term completion, the Board must appoint qualified and lawful candidates as replacement Audit Committee to maintain a number of Audit Committee required by the Board of Directors. Each replacement shall serve insuch position only for his/her predecessor's remaining term.

Scope of Duties and Responsibilities of the Audit Committee

1. To review the financial statements of the Company to ensure that they are disclosed accurately and adequately by coordinating with the external auditor and the Management who are responsible for the preparation of quarterly and yearly financial statements. The Audit Committee may have the auditor review or audit any transactions necessarily or importantly while auditing the Company's account.

2. To provide some advice to the Board of Directors and the Management on the improvement of the Company's working processor system in order to reduce related risks to ensure that the financial statements of the Company are accurate and efficiently utilized.

3. To review the internal control system and internal audit system of the Company to ensure that they are run appropriately and proficiently; to verify the independence of the Internal Audit Department; and to give approval of the appointment, removal and dismissal of the Head of Internal Audit Department or those of other departments which is responsible for the internal audit activities of the Company

4. To verify that the Company conforms to laws on securities and stock exchange, regulations of the Stock Exchange of Thailand and any other laws on the business of the Company.

5. To consider, recruit, and nominate an independent person to be the Company's auditor; to propose the remuneration for such an auditor; and to have the meetings with the auditor at least once a year without the attendance of the Management.

6. To consider any connected transactions or those with potential conflicts of interest to be in conformity with laws on securities and stock exchange, and regulations of the Stock Exchange of Thailand in order to ensure that such transactions are reasonable and enhance the best benefit for the Company; and to consider to ensure the Company's disclosure of connected transactions or those possibly causing the conflicts of interest which is accurate and adequate.

7. To disclose the reports of the Audit Committee, which signed by the Audit Committee Chairman, in the annual reports of the Company which including the minimum information as follows:

- a) Opinion on fairness, completeness, and reliability of financial statements of the Company.
- b) Opinion on adequacy of internal control system of the Company.
- c) Opinion on legal conformance to Securities and Exchange Act, regulations of the Stock Exchange of Thailand, or any laws related with business of the Company.
- d) Opinion on appropriateness of the auditor.
- e) Opinion on transaction that may cause potential conflict of interest.

f) Number of meeting of the Audit Committee and attending of each Audit Committee.

g) Opinion or general remark that Audit Committee receive from compliance with charter.

h) Other information that deems appropriate for shareholders and investors to know under scope of duties and responsibilities assigned by the Board of Directors.

8. In performing duties, if the Audit Committee finds or suspects, the following transactions may have the material impact on the financial status and operation results of the Company, the Audit Committee shall report them to the Board of Directors prior to the improvement within the timeframe of the Audit Committee who deems appropriately :

- a) Transactions causing conflicts of interest
- b) Dishonest or irregularity or important defect in the internal control system
- c) Violation of laws on securities and stock exchange, regulations of the Stock Exchange of Thailand or laws on the business of the Company.

If the Board of Directors or the Management of the Company fails to remedy such within the timeframe specified in paragraph one, any of the Audit Committee members may report the transaction or act stated in paragraph one to the Securities and Exchange Commission or the Stock Exchange of Thailand.

9. The Audit Committee may seek for an independent opinion from other professional advisors if it deems necessarily under the Company's expense.

10. To perform other duties specifically assigned by the Board of Directors with consent of the Audit Committee.

Executive Committee

As of 31 December 2014 Executives Committee of the Company consists of 5 members are included:

Name-Surname	Position
1. Mr. Anant Tangtongwechakit	Chairman of Executive Director
2. Mrs. Jirawan Pongpichitkul	Executive Director
3. Miss Chittima Tangtrongwechakit	Executive Director
4. Mr. Adisak Tangtrongweachakit	Executive Director
5. Mr. Sarit Tangtrongwechakij	Executive Director

Miss Patthira Luengvilas was the secretary of the Executive Committee.

Scope of Duties and Responsibilities of the Executive Committee

1. To consider and prepare the policies, business strategies, operating goals and plans, financial targets, and budget of the Company by appropriately regarding various business factors to be proposed for the Board of Directors' approval.
2. To govern, inspect, and monitor the Company's business operations to ensure that they are efficiently and proficiently carried out in line with the policies, business strategies, operating goals and plans, financial targets, and budget of the Company as approved by the Board of Directors.
3. To set up the organization structure and management policy of the Company as well as policies of recruitment, training, employment and termination of employment for the Company's employees. The Managing Director and/or the Director to the Human Resources Department may be authorized to sign signature in the employment contract.

4. To conduct the feasibility studies on investment in new projects, and to be empowered to consider and approve the Company for an investment or a joint venture with an individual, juristic person or any other business organization in the investment form the Executive Committee deems appropriately in order to operate the business subject to the Company's objectives, and to consider and approve the Company's expenditure for such investment, business contracts and/or any related acts to complete such matter for the amount of investment from Baht 10 million up to Baht 50 million.

5. To consider and approve financial transactions to be made with any financial institutions in respect with the opening of account, taking out of loans and credit line, pledge, mortgage, guarantee and other matters as well as selling and purchase, and registration for any ownership of land in accordance with the Company's objectives in order to benefit the business operations of the Company; and to take any legal acts, make contracts and/or perform other acts related to such matters until it is completed, in the amount from Baht10 million up to Baht1,000 million for each transaction but must not exceeding annum budget approved by the Board of Directors.

6. To consider and approve of entering into a contract and financial instruments, e.g. future contract for the right in sugar sales and purchases, foreign currencies exchange forward contract, etc. in order to prevent the Company's financial risks.

7. To consider and provide advice or opinions to the Board of Directors about any projects, proposals or entering into transactions related to the Company's operations, which need the operating amount greater than the permitted amount and/or required by any related laws and regulations or Articles of Association of the Company that must be considered and approved by the meeting of shareholders or that of the Board of Directors.

8. To consider and approve of the rules, regulations, management policies and business operations of the Company or any other acts binding the Company.

9. To empower the Managing Director to operate the business of the Company in accordance with the scope of power, duties and responsibilities as designated and governed by the Executive Committee.

10. To appoint and/or assign the Executive Director or a person or several persons to take any acts under the scope of power given to the Executive Committee and as the Executive Committee deems appropriately. The Executive Committee may suspend, cancel or alter such power.

11. To consider and approve of the Empowered Operation Manual to enable the appointed and/or authorized persons to be aware of the scope of responsibilities and given power, and such that shall be a working manual for further working reference and to make the working procedure in order.

12. To have any power, duties and responsibilities as per assignments or policies given by the Board of Directors.

In case that the Executive Committee or their authorized representative must carry out or enter into any transaction which may cause potential conflict of interest with the Company and/or its subsidiaries and/or related companies, the Executive Committee or their authorized representative will have no power to approve the specified transaction except the approval is in accordance with the policies and regulations which the Board of Directors and/or shareholder's meeting (case by case) has considered and approved under laws, regulations, objectives, or the Articles of Association of the Company.

Risk Management Committee

As of 31 December 2014 Risk Management Committee consists of 5 members are included:

Name-Surname		Position
1. Mr. Anant	Tangtongwechakit	Risk Management Committee
2. Mrs. Jirawan	Pongpichitkul	Risk Management Committee
3. Miss Chittima	Tangtrongwechakit	Risk Management Committee
4. Mr. Sarit	Tangtrongwechakij	Risk Management Committee
5. Mr. Adisak	Tangtrongweachakit	Risk Management Committee

Mr. Vorathep Lertchaiudomchok was the secretary to Risk Management Committee.

Scope of Duties and Responsibilities of the Risk Management Committee

1. To consider and approve the Company's risk management policy at least once per annum or every time of major event to be proposed to the Board of Directors.
2. To set up direction and policy of risk management as well as provide recommendation to set up acceptable risk level (risk appetite) of the Company to evaluate and monitor risk that the Company can accept.
3. To set up the risk management policy sufficiently and appropriately as well as efficiency of system and implementation in conformance to the set policy.
4. To place the business strategies to be in line with the risk management policy in order to support and encourage the cooperation from the Company's employees at all levels, and to enable to monitor, evaluate and keep the level of risks at an appropriate level.
5. To review and amend the management and risk management systems of the Company to ensure that they are efficient and proficient. The evaluation and monitoring of such risk management process must be at all time in conformity with the determined risk management policy.

6. To monitor the results of the risk management assigned to risk owner to implement as well as provide suggestion to ensure effectiveness of risk management plan.

7. To set up, promote, and provide risk reports and advice to be submitted to the Board of Directors for further improvement.

8. To acknowledge results of evaluation of adequacy and effectiveness of internal control system from inspection report of internal inspection department to use as a tool for evaluation with the Company's existing risk level. And to communicate significant risk issue with the Audit Committee to allow the internal inspection department review internal controls that are important and may affect risk level of the Company.

9. To perform other duties in relation to the risk management as specifically assigned by the Board of Directors.

In case that the Risk Management Committee or their authorized representative must carry out or enter into any transaction which may cause potential conflict of interest with the Company and/or its subsidiaries and/or related companies, the Risk Management Committee or their authorized representative will have no power to approve the specified transaction except the approval is in accordance with the policies and regulations which the Board of Directors and/or shareholder's meeting (case by case) has considered and approved under laws, regulations, objectives, or the Articles of Association of the Company.

If any Risk Management Committees also take a position of Audit Committee of the Company, the Company will not act in any way that will make the regarding risk management committee unqualified for qualification of respectable Audit Committee, for example, to not participate in day to day operation as well as to not provide an opinion in case of probable conflict with qualification and duties of Audit Committee.

Executives

As of 31 December 2014, the Executive Committee consisted of 8 following members:

Name-Surname		Position
1. Mr. Anant	Tangtongwechakit	Managing Director
2. Mrs. Jirawan	Pongpichitkul	Vice Senior Managing Director of Domestic Investment
3. Miss Chittima	Tangtrongwechakit	Vice Senior Managing Director of Domestic Investment
4. Mr. Adisak	Tangtrongweachakit	Vice Senior Managing Director of Domestic Investment
5. Mr. Sarit	Tangtrongwechakij	Vice Senior Managing Director of International Investment
6. Mr. Vorathep	Lertchaiudomchok	Vice Managing Director of Finance & Operation
7. Mr. Pitak	Chaosoun	Assistant Senior Managing Director of Finance & Operation
8. Mr. Pattarapong	Pongsawasdi	Assistant Senior Managing Director, International

Scope of Duties and Responsibilities of the Managing Directors

1. To be responsible for the Company's day-to-day operations and/or management, as well as for supervising general operations to be in line with policies, business strategy, goals and operating plans, financial targets and budgets of the Company as approved by the Board of Directors.

2. To consider, negotiate, and approve for engaging into any juristic acts and/or taking actions, which involve some money for not more than Baht 10 million, related to the Company's day-to-day operations and/or management but must not exceeding annum budget approved by the Board of Directors.

3. To consider the engagement into any juristic acts, and/or to negotiate for any contracts related to any operations or undertaking in connection with the Company's day-to-day operations and/or management, which involve some money higher than the determined amount, in order to provide some opinions and propose such matter to the Board of Directors and/or the Executive Committee for further screening and finding out the solutions.

4. To conduct the feasibility studies on investment in new projects, and to be empowered to consider and approve the Company for an investment or a joint venture with an individual, juristic person or any other business organization in the investment form the Executive Committee deems appropriately in order to operate the business subject to the Company's objectives, and to consider and approve the Company's expenditure for such investment, business contracts and/or any related acts to complete such matter for the amount of investment up to 10 million Baht per transaction.

5. To consider and approve transactions with banks and financial institutions involving account opening, borrowing, pawning, mortgages, guarantees, and other activities including property trading and land ownership registration according to specified objectives in order to facilitate the Company's operation as well as any juristic acts and/or any related acts to complete such matter for the amount of money up to 10 million Baht per transaction.

6. To set up certain trading conditions, e.g. line of credit, period of payment, entering into a contract of sale, changes of trading terms, etc. and such transactions involve some money not more than Baht 10 million. but must not exceeding annum budget approved by the Board of Directors.

7. To recruit, appoint, remove, transfer, dismiss, and set up the scope of authority, duties and appropriate benefits for employees of the Company, who hold position of the Department Manager or lower according to the policies settled by the Executive Committee.

8. To appoint some advisors in any fields necessary for the Company's day-to-day operations and/or management.

9. To appoint and/or empower any person or persons to take acts under the scope of authority of the Managing Director as the Managing Director considers it is appropriate whereas such empowerment may be cancelled, revoked or revised by the Managing Director.

10. To have any authority, duties and responsibilities as assigned or subject to policies given by the Board of Directors and/or the Executive Committee.

In case that the Managing Director or their authorized representative must carry out or enter into any transaction which may cause potential conflict of interest with the Company and/or its subsidiaries and/or related companies, the Managing Director or their authorized representative will have no power to approve the specified transaction except the approval is in accordance with the policies and regulations which the Board of Directors and/or shareholder's meeting (case by case) has considered and approved under laws, regulations, objectives, or the Articles of Association of the Company.

Company Secretary

In the meeting of the Board of Directors No.9/2014 held on November 13, 2014, the Board of Directors has resolved to appoint Miss Patthira Luengvilas as Company Secretary in conformance to Section 89/15 of Securities and Exchange Act BE 2535 (Including amended). Scope of duties and responsibilities of Company Secretary are as follows:

1. To maintain efficiency of the operation of the Board of Directors and the Executives in conformance to the Company's articles of association and related laws and regulations.

2. To organize Board and shareholders' meetings according to rules and applicable laws.

3. To record minutes of the shareholder's meetings and minutes of the Board of Directors' meeting. Coordinate and follow up the shareholders' and Board's resolutions.

4. To prepare and maintain all documents relating to the Company's statutory register of directors, Annual Reports, notices and minutes of the meetings of the Board of Directors as well as notices and minutes of the shareholders' meetings.

5. To maintain and keep a record of vested interests as reported by directors and executives and send copies reporting vested interests of directors and executives or related persons to the Chairman of the Audit Committee within seven days of the receipt of each report.

6. To perform other duties as required by the regulations of the Capital Market Supervisory Board.

Remuneration of directors and executives

Remuneration in Cash

Directors remuneration

2014 Annual General Meeting of Shareholders held on April 26, 2014 has resolved to set remuneration of directors for 2014 as follows:

Position	Meeting Allowance/Monthly Remuneration (Baht/meeting)/(Baht/month)	Annual Remuneration (Baht/meeting)
Chairman of the Board of Directors	15,000	400,000
Directors	10,000	150,000
Chairman of the Audit Committee	15,000	150,000
Audit Committee	10,000	100,000

In 2012-2014, the Company remunerates to the Board of Directors as follows:

Director name	Remuneration (Baht)			
	Position	2012	2013	2014
Mr. Prachuab Chaiyasarn	Chairman of the Board of Directors, Independent Director, and Chairman of the Audit Committee	215,500	700,000	880,000
Mr. Anant Tangtongwechakit	Director and CEO	508,500	495,000	743,750
Mrs. Wanphen Punyaniran	Director	200,000	200,000	260,000
Mrs. Jirawan Pongpichitkul	Director	413,500	420,000	630,000
Miss Chittima Tangtrongwechakit	Director	413,500	430,000	630,000
Mr. Sarit Tangtrongwechakit	Director	413,500	420,000	630,000
Mr. Adisak Tangtrongweachakit	Director	413,500	410,000	620,000
Mr. Amnuay Patise	Independent Director and Audit Committee	179,750	500,000	535,000
Mrs. Seenual Tasanapant	Independent Director and Audit Committee	-	-	122,500
Mr. Sirichai Sombutsiri	Independent Director and Audit Committee	-	350,000	470,000
Total		2,362,500	3,925,000	5,521,250

Remark :

1. Mr. Prachuab Chaiyasarn was appointed on September 18, 2012
2. Mr. Amnuay Patise was appointed on October 15, 2012 and resigned on October 2, 2014
3. Mr. Sirichai Sombutsiri was appointed on January 1, 2013
4. Mrs. Seenual Tasanapant was appointed on October 3, 2014

Executives remuneration

In 2012-2014, the Company remunerates including salary, bonus, and benefits as follows:

	2012	2013	2014
Number of executives (person)	7	7	8
Remuneration (Baht)	19,963,730	20,985,174	26,288,709

Other remuneration

- None -

Director and Management Profile

Name/Position	Education Background	% of Shares	Work experience past 5 years - Present
<p>1. Mr. Prachuab Chaiyasan (70 years old)</p> <ul style="list-style-type: none"> - Chairman of the Board of Director - Independent Director - Chairman of the Audit Committee 	<ul style="list-style-type: none"> - Bachelor of Political Science, Thammasat University - Doctor of Philosophy in Political Science, Ramkhamhaeng University - Director Accreditation Program (DAP) class 54/2006 Thai Institute of Directors - Director Certification Program (DCP) class 83/2007 Thai Institute of Directors 	0.05	<p>Buriram Sugar Public Co., Ltd.</p> <ul style="list-style-type: none"> - Chairman of the Board of Director - Independent Director - Chairman of the Audit Committee <p>Thai Ethanol Power Public Co., Ltd.</p> <ul style="list-style-type: none"> - Director - Chairman of Audit Committee - Director Taiping Ethanol Co., Ltd. <p>Thai Nguan Metal Public Co., Ltd.</p> <ul style="list-style-type: none"> - Director - Chairman of Audit Committee Council <p>Ramkhamhaeng University</p> <ul style="list-style-type: none"> - Chairman of Ramkhamhaeng University <p>Paksong Capital Co., Ltd.</p> <ul style="list-style-type: none"> - Director
<p>2. Mrs. Seenual Tasanapant (69 years old)</p> <ul style="list-style-type: none"> - Independent Director - Audit Committee 	<ul style="list-style-type: none"> - Bachelor of Jurisprudence, Thammasat University - Bachelor of Accounting, Thammasat University - Director Accreditation Program (DAP) class 55/2006 Thai Institute of Directors - Director Certification Program (DCP) class 79/2007 Thai Institute of Directors - Audit Committee Program (ACP) class 17/2007 Thai Institute of Directors - Certified Public Accountant No. 2974 	-	<p>Buriram Sugar Public Co., Ltd.</p> <ul style="list-style-type: none"> - Independent Director - Audit Committee <p>The Steel Public Co., Ltd.</p> <ul style="list-style-type: none"> - Independent Director - Audit Committee <p>Taiping Ethanol Co., Ltd.</p> <ul style="list-style-type: none"> - Director <p>Mahidol University Savings and Credit Co-Operative Limited</p> <ul style="list-style-type: none"> - Advisor of Administrative Director - Manager

Name/Position	Education Background	% of Shares	Work experience past 5 years - Present
3. Mr. Sirichai Sombutsiri (61 years old) - Independent Director - Audit Committee	<ul style="list-style-type: none"> - Bachelor of Business Administration (Accounting) (honor), Thammasat University - Master of Business Administration (Finance), University of Southern California, USA - Advanced Management Program, Harvard Business School, USA - Certificate, The Joint State Private Sector Regular Course National Defense College Class 15 - Director Accreditation Program (DAP) class 25/2004 Thai Institute of Directors - Capital Market Academy Leadership Program class 5 Capital Market Academy 	0.05	Audit CommitteeBuriram Sugar Public Co., Ltd. - Independent Director Siam Commercial Bank Public Co., Ltd. - Vice President of Business Customer Siam Commercial Bank Public Co., Ltd. - Vice President of Big Customer OHTL Public Co., Ltd. - Director - Independent Director Land and Houses Bank Public Co., Ltd. - Director - Executive Director

Name/Position	Education Background	% of Shares	Work experience past 5 years - Present
<p>4. Mr. Anant Tangtongwechakit (50 years old)</p> <ul style="list-style-type: none"> - Chairman of Executive Director - Director - Managing Director 	<ul style="list-style-type: none"> - Bachelor of Business Administration (Marketing), Assumption University - Master of Art (Political Science, Politics and Government), Ramkhamhaeng University - Certificate of Sugar Technology class 1, Faculty of Agro-Industry, Kasetsart University - Director Accreditation Program (DAP) class 99/2012, Thai Institute of Directors - Top Executive Program class 15, Capital Market Academy - National Defense Course for the State, Private and Political Sectors class 26, The National Defence College 	4.06	<p>Buriram Sugar Public Co., Ltd.</p> <ul style="list-style-type: none"> - Chairman of Executive Director - Director - Managing Director <p>Buriram Sugar Co., Ltd.</p> <ul style="list-style-type: none"> - Chairman of Director - Executive Director - Managing Director <p>Buriram Sugar Factory Co., Ltd.</p> <ul style="list-style-type: none"> - Chairman of the Board of Directors - Chairman of Executive Director - Managing Director <p>Buriram Sugarcane Research and Development Co., Ltd.</p> <ul style="list-style-type: none"> - Chairman of the Board of Directors - Chairman of Executive Director <p>Buriram Energy Co., Ltd.</p> <ul style="list-style-type: none"> - Chairman of the Board of Directors - Chairman of Executive Director <p>Key Brand Fertilizer Co., Ltd.</p> <ul style="list-style-type: none"> - Chairman of the Board of Directors - Chairman of Executive Director <p>Buriram Power Co., Ltd.</p> <ul style="list-style-type: none"> - Chairman of the Board of Directors - Chairman of Executive Director <p>Thai Sugar Producers Association</p> <ul style="list-style-type: none"> - Director <p>The Thai Sugar Trading Co., Ltd.</p> <ul style="list-style-type: none"> - Director <p>The Federation of Buriram Industries</p> <ul style="list-style-type: none"> - Vice Chairman of the Board of Directors <p>BRS Train Terminal Logistics Co., Ltd.</p> <ul style="list-style-type: none"> - Chairman of the Board of Directors - Chairman of Executive Director <p>Taksin Pattana Co., Ltd.</p> <ul style="list-style-type: none"> - Director <p>Suriwan Enterprise Co., Ltd.</p> <ul style="list-style-type: none"> - Director <p>A Team Intertrade Co., Ltd.</p> <ul style="list-style-type: none"> - Director <p>Si Phan Don Bolaven Pattana Co., Ltd.</p> <ul style="list-style-type: none"> - Director <p>T Plus Property Co., Ltd.</p> <ul style="list-style-type: none"> - Director <p>BRS Service Co., Ltd.</p> <ul style="list-style-type: none"> - Director

Name/Position	Education Background	% of Shares	Work experience past 5 years - Present
5. Mrs. Jirawan Pongpichitkul (47 years old) - Director - Executive Director - Senior Vice Managing Director	- Bachelor of Science (Nursing and Midwifery), Mahidol University - Master of Public and Private Management, National Institute of Development Administration - Director Accreditation Program (DAP) class 98/2012, Thai Institute of Directors	4.05	Buriram Sugar Public Co., Ltd. - Director - Executive Director - Vice Managing Director of Domestic Investment/ Agricultural Business Buriram Sugar Public Co., Ltd. - Director - Executive Director - Senior Vice Managing Director Buriram Sugar Factory Co., Ltd. - Director - Executive Director Buriram Sugarcane Research and Development Co., Ltd. - Director Executive Director - Managing Director Key Brand Fertilizer Co., Ltd. - Director Buriram Energy Co., Ltd. - Director - Executive Director Buriram Power Co., Ltd. - Executive Director
6. Mrs. Wanphen Punyaniran (48 years old) - Director	- Secondary school grade 2, Marywitthaya Prachinburi School - Director Accreditation Program (DAP) class 98/2012, Thai Institute of Directors	4.05	Buriram Sugar Public Co., Ltd. - Director Buriram Sugar Factory Co., Ltd. - Director Key Brand Fertilizer Co., Ltd. - Director - Executive Director - Managing Director

Name/Position	Education Background	% of Shares	Work experience past 5 years - Present
<p>7. Miss Chittima Tangtrongwechakit (45 years old)</p> <ul style="list-style-type: none"> - Director - Executive Director - Senior Vice Managing Director 	<ul style="list-style-type: none"> - Bachelor of Business Administration (Marketing) Buriram Rajabhat University - Director Accreditation Program (DAP) class 98/2012, Thai Institute of Directors 	4.05	<p>Buriram Sugar Public Co., Ltd.</p> <ul style="list-style-type: none"> - Director - Executive Director - Vice Managing Director of Domestic Investment/ Agricultural Business Buriram Sugar Public Co., Ltd. - Director - Executive Director - Senior Vice Managing Director Buriram Sugar Factory Co., Ltd. - Director - Executive Director - Vice Managing Director of Procurement Buriram Sugarcane Research and Development Co., Ltd. - Director - Buriram Power Co., Ltd. - Director Buriram Energy Co., Ltd. - Director Key Brand Fertilizer Co., Ltd. - Executive Director
<p>8. Mr. Sarit Tangtrongwechakit (44 years old)</p> <ul style="list-style-type: none"> - Director - Vice Senior Managing Director - Executive Director 	<ul style="list-style-type: none"> - Bachelor of Business Administration (Management), Buriram Rajabhat University - Master of Art (Political Science, Politics and Government), Ramkhamhaeng University - Director Accreditation Program (DAP) class 98/2012, Thai Institute of Directors 	4.05	<p>Buriram Sugar Public Co., Ltd.</p> <ul style="list-style-type: none"> - Director - Executive Director - Vice Managing Director of Domestic Investment Buriram Sugar Public Co., Ltd. - Director - Executive Director - Senior Vice Managing Director Buriram Sugar Factory Co., Ltd. - Director - Executive Director - Buriram Sugarcane Research and Development Co., Ltd. - Director - Executive Director - Buriram Power Co., Ltd. - Director - Buriram Energy Co., Ltd. - Director - Key Brand Fertilizer Co., Ltd. - Executive Director - Buriram Power Co., Ltd. - Executive Director - Director - Win Auto Supply Co., Ltd. - Director - Si Phan Don Bolaven Pattana Co., Ltd. - Director

Name/Position	Education Background	% of Shares	Work experience past 5 years - Present
9. Mr. Adisak Tangtrongweachakit (41 years old) - Director - Vice Senior Managing Director - Executive Director	- Bachelor of Business Administration (Marketing), University of the Thai Chamber of Commerce - Master of Business Administration (Management), Bellevue University, USA - Director Accreditation Program (DAP) class 98/2012, Thai Institute of Directors	4.05	Buriram Sugar Public Co., Ltd. - Director - Executive Director - Vice Managing Director of Domestic Investment and Energy Buriram Sugar Public Co., Ltd. - Director - Executive Director - Senior Vice Managing Director Buriram Sugar Factory Co., Ltd. - Director - Executive Director Buriram Sugarcane Research and Development Co., Ltd. - Director Buriram Energy Co., Ltd. - Director - Executive Director - Managing Director Key Brand Fertilizer Co., Ltd. - Director Buriram Power Co., Ltd. - Executive Director - Managing Director BRS Train Terminal Logistics Co., Ltd. - Director - Executive Director - Managing Director BRS Service Co., Ltd. - Director

Corporate Governance

The Company gives importance to corporate governance. The Board of Directors of the Company endeavors to comply with respectable corporate governance which is an essence for the Company for its added value, transparency, and efficient management. To enhance confidence among shareholders, investors, and related organization, the Company set up corporate governance policy as defined by the SET which covering the significant principles of Good Corporate Governance in 5 categories as follows:

Category 1 : Rights of Shareholders

The Board of Directors is always concerned and valued the rights of the Company's shareholders such as stockbrokerage, stock transfer, corporate information provision, shareholder meeting attendance and vote, etc. ; Therefore, the corporate governance policy is placed by regarding with the basic rights and convenience of all shareholders. The relevant important policies are described below.

1. The Company lays down a policy of providing the information, adequacy and timing, to all of its shareholders about the date, time, venue, agendas of each meeting of the shareholders, as well as all other associated issues for any decision-making in the meetings of shareholders as required by laws.
2. Should a shareholder not be able to physically present at a meeting, they may appoint their proxy or an independent director as their proxy to attend and vote in the meeting via proxy form as provided in the Attachment. Prior to the meeting date, The Company may inform the shareholders of the procedure of voting for resolution as stated in the Company's regulation.
3. The Chairman of the meeting of the shareholders should allocate sufficient time to the shareholders. Some shareholders may equally submit their questions relating to any of the meeting agendas during the meeting. The Board of Directors will participate in the meeting to answer the interrelated question if any.

4. To provide correct and complete meeting minutes for shareholder to access.

5. To publish news and information regularly via the Company's website, the SET, and the SEC.

Category 2 : Equitable Treatments of Shareholders

To ensure fair and equitable treatments of shareholders, the Company has policy as follows:

1. The Company allows its shareholders to propose matters to be included in a meeting's agenda or nomination of candidates for corporate directors, prior to the meeting, with requirements and procedures.
2. In the Annual General Meeting, The majority of shareholders, who are the Company's executives, shall not propose other additional agendas, particularly some important agendas, without notifying the shareholders in advance to ensure that every shareholder has sufficient time for data investigation before making decisions on voting.
3. The Company has a policy of encouraging the shareholders to use the proxy to enable the shareholders to determine the direction of voting. At least one independent director should be proposed for the shareholders' proxy. Such proxy form shall be delivered by the Company, along with the name(s) of independent director.
4. The Company has a policy of using the ballot tickets for any significant agendas, e.g. connected transactions, acquisition or disposal of significant assets, etc. for the transparency and verification of voting in case of any arguments. And in the appointment of directors, the Company encourages the shareholders to exercise their right in appointing each director.
5. The Company issues the written guidance on retention and prevention of the use of the internal information. This guidance is informed to all employees in the organization for their compliance. Every director and executive has a duty of reporting his interest or stake to the Company as required by laws.

Category 3: Role of Stakeholders

The Company realizes the significance of other stakeholders contributing to its financial stability and sustainability. These stakeholders include, for instance, customers, employees, trading partners, creditors, and the surrounding community. The Company has always ensured integrity and fair treatment for each stakeholder through its established business ethics policies as follows:

Shareholders	: The Company focuses on ethical operation and discloses important information such as financial statement and other related information to shareholders transparently, accurately, completely and timely.
Customers	: The Company gives importance to customers with the highest responsibility through quality control of products and services under fair conditions. All customers' information is clandestine and will not be disclosed or unethically used.
Employees	: The Company ensures fair and equal treatment for all employees. Employees are entitled to benefits, safety policy, and suitable working environment according to their positions without discrimination. Provident fund has been set for corporate employees' security. The Company also encourages its employees' knowledge and skill development through in-house and outside training.
Trading partners	: The Company adheres to integrity, equality, and rights of benefits. The Company always respects its trading partners' legal rights and rights as specified in agreements.
Competitors	: The Company supports the principles of fair competition and operates its business with integrity without any legal or ethical wrongdoings.
Community, society, and environment	: The Company has always been responsible to the society and environment via promoting social activities that bring sustainable development to the community. The Company also strictly complies with applicable environmental laws and develops preventive strategy to control environmental impact consistently.

Category 4: Disclosure of Information and Transparency

The company ensures that corporate information is provided correctly, accurately, on time, and transparently to The Stock Exchange of Thailand, The Securities and Exchange Commission, and related organization through following corporate practices:

1. To disclose financial statement and other information that correlated to business accurately, truthfully and completely. The Company's financial statements must fairly present in accordance with generally accepted accounting principle and receive approval from the Audit Committee and the Board of Directors before disclose to The Stock Exchange of Thailand, shareholders and related organization.

2. To disclose the Company's information via the channels provided by the SET, the SEC, and via the Company's website to ensure provision of information services for shareholders and associated individuals.

3. To disclose roles and duties of the Board of Directors and committees, number of meeting attended for each director, and the director and executive remuneration policy as disclosed in the 2014 annual statements (Form 56-1) and the 2014 annual report.

For investor relation, the Company found a team to coordinate communications between the Company, investors, shareholders, and related organization which is Mr. Pattarapong Pongsawasdi

Category 5: Responsibilities of the Board

The Board of Directors shall take care of the Company's working system to ensure that all of the Company activities are done according to laws, objectives, regulations of the Company, and the resolution of shareholder meeting ethically.

1. Structure of the Board of Directors

1.1) The number of Directors are 9 persons totally. Each director's term lasts three years. The Board of Directors shall comprise of 6 Executive Directors and 3 Non-executive Directors which are legally qualified as the Independent Directors conforming to the SEC regulation. The structure is in accordance with the SEC ACT B.E. 2535 which stated that of registered company must have Independent Directors more than or equal to 1 out of 3 members of board of directors.

1.2) The Board of Directors approved the appointment of Ms. Patthira Luengvilas as the Company secretary, with the Securities and Exchange Act (No. 4) B.E. 2551 Section 89/15, the results of the Good corporate governance, the role and responsibilities of the Board of Directors and shareholders and coordination and monitoring compliance with the resolution of the Board of Directors and shareholders. As well it is vital to care to advise the committee on rules and administration, to practice the storage of important documents of the Company.

2. Sub-committees

2.1) The Company set up three sub-committees, including Audit Committee, Risk Management Committee and the Executive Board Directors prescribed their duties and responsibilities in consonance with Good Corporate Governance.

2.2) Audit Committee consists of directors who are independent for transparency and independency.

3. Roles, Duties and Responsibilities of the Board of Directors

The shareholder meeting has defined roles, duties, and responsibilities of the Board of Directors to ensure that business operation is conforming to laws, objectives, and regulation of the Company, as seen in 9.2.

The Board of Directors separates roles, duties, and responsibilities of supervised policy resolution and daily management clearly. The President Director is not the same person as the Executive Directors and does not involved in the daily management of the Company but provides support and advice in business operation via the Executive Directors regularly, while the Executive Directors are responsible for the Company management under the resolution of the Board of Directors.

4. Meetings of the Board of Directors

4.1) The Company holds board meetings at least one meeting per three months. Extraordinary board meeting shall be commenced if deemed necessary. In each board meeting, the agenda is clearly decided in advance.

4.2) The Company Secretary delivers meeting documents to directors in advance. The document has been prepared concisely as possible. The Chairman will allocate sufficient time for such discussion and vote.

4.3) The Company records written minutes and collects previous minutes approved by the Board of Directors which can be inspected as required.

In the year 2012-2014, the following committee members attended each committee's meetings:

	Director name	Number of attending					
		2012		2013		2014	
		Board of Directors	Audit Committee	Board of Directors	Audit Committee	Board of Directors	Audit Committee
1.	Mr. Anant Tangtongwechakit	7/7	-	7/7	-	8/10	-
2.	Mrs. Wanphen Punyaniran	7/7	-	7/7	-	9/10	-
3.	Mrs. Jirawan Pongpichitkul	7/7	-	6/7	-	9/10	-
4.	Miss Chittima Tangtrongwechakit	7/7	-	7/7	-	10/10	-
5.	Mr. Sarit Tangtrongwechakit	7/7	-	6/7	-	10/10	-
6.	Mr. Adisak Tangtrongwechakit	7/7	-	6/7	-	9/10	-
7.	Mrs. Urin Tangtrongwechakit	3/7	-	-	-	-	-
8.	Mr. Prachuab Chaiyasan	3/7	1/1	7/7	5/5	10/10	9/9
9.	Mr. Amnuay Patise	3/7	1/1	7/7	5/5	7/7	6/6
10.	Mr. Sirichai Sombutsiri	-	-	6/7	5/5	8/10	8/9
11.	Mrs. Seenuat Tasanapant	-	-	-	-	2/2	2/2

5. Self-assessment of the Board of Directors

Since the Company has registered in the Stock Exchange of Thailand, the Board of Directors organize self-assessment annually to assess operation performance and enhance operation efficiency of the Board of Directors in following years.

6. Remuneration of Directors and Executives

The Company has specified the necessary and appropriate remuneration for directors at the rate used within the industry which is sufficient to maintain quality directors with the Company. The remuneration for the management must be approved by the Company's shareholder meeting and is in accordance with the Company's operational performance and performance of the individuals.

7. Development of Directors and Executives

The Company supports and facilitates development of Directors and Executives via several workshops to improve operation efficiency unceasingly. All Directors have been through director curriculum from Thai Institute of Directors Association: IOD.

Nomination and Appointment of Directors and Executives

The nomination and remuneration of Directors and Executives is in accordance with the Articles of Association of the Company which established a set of screening criteria to determine suitable nominees for Directorial positions by considering various qualifications. These include having qualifications complying with relevant laws and regulations; being individuals from various fields whose expertise, experiences, and capabilities would benefit the Directorships and the Company; and whether or not they have potential vested-interest or conflict of interest with the Company. The re-appointment of Directors is based on their past performance. As for the appointment of Independent Directors, the Committee will further consider their qualifications for independence.

Control of the Use of Internal Information among Direction and Management

The Company has instituted a set of rules that govern the disclosure of information and the prevention of insider trading as follows:

- 1) Directors, Executives and employees are not allowed to use or exploit clandestine information and/or internal information for one's own interest or the interest of others, either directly or indirectly, and either with or without any benefits.
- 2) The Company informs Directors, Executives and employees, whose work involves accounting or financial information and rank higher than or equal to department manager, about their obligation to disclose security holdings and changes of the holdings of themselves, their spouses, and their children who have not yet attained the majority in consistence with the Securities and Exchange Act B.E. 2535, article 59 and statutory penalty, article 275.
- 3) Directors, Executives and employees whose work involves accounting or financial information are prohibited from the sale and the purchase of Company's shares within the period of a month before the disclosure of the Company's financial statements, operation performances, or other significant information which may affect the Company's security price until the publicization of regarding information.

4) Directors, Executives and employees, whose work involves accounting or financial information and rank higher than or equal to department manager, are responsible for reporting to the Company secretary the ownership of Company shares which they, their spouses, or their children who have not yet attained the majority conduct within 30 days after assuming position. Also, the regarding Directors, Executives or employees are responsible for reporting to the Securities and Exchange Commission the sale/purchase/transfer/acquisition of Company shares which they conduct within 3 working days after such occurrence in accordance with the Securities and Exchange Act B.E. 2535 and sending a copy of the report to the Company secretary in the same day. Directors, Executives or employees who violate the policy of control of the Use of Internal Information among Direction and Management will be imposed by disciplinary and/or legal punishment in case by case basis considering intention and severity of the violation.

Auditor's Remuneration

In 2011, the Auditors' remuneration of the Company and subsidiaries was the amount of THB 1,005,000 remunerated to PricewaterhouseCoopers ABAS Ltd. There were no other fees that were required to remunerate to auditors, audit firm or any individuals or organization associated to the auditors and the audit firm.

In 2012, the Auditors' remuneration of the Company and subsidiaries was the amount of THB 2,112,500 remunerated to PricewaterhouseCoopers ABAS Ltd. There were no other fees that were required to remunerate to auditors, audit firm or any individuals or organization associated to the auditors and the audit firm.

In 2013, the Auditors' remuneration of the Company and subsidiaries was the amount of THB 2,685,000 remunerated to PricewaterhouseCoopers ABAS Ltd. There were no other fees that were required to remunerate to auditors, audit firm or any individuals or organization associated to the auditors and the audit firm.

In 2014, the Company appointed Pricewaterhouse Coopers ABAS Ltd. to provide counsel to amend and revise accounting system. The remuneration totaled THB 1,111,000.

Dividend Payment Policy

The Company places a policy of dividend payment to every shareholder for not less than 50% of net profit declared in the financial statements of each company after the deduction of corporate income tax, statutory reserve and any other reserves. Whereas dividend payment might be less than specified rate regarding the operating performance, financial condition, cash flow, liquidities, and investment plan at a particular time.

The subsidiaries of the Company places a policy of dividend payment to every shareholder for not less than 50% of net profit declared in the financial statements of each subsidiary after the deduction of corporate income tax, statutory reserve and any other reserves. Whereas dividend payment might be less than specified rate regarding the operating performance, financial condition, cash flow, liquidities, and investment plan at a particular time.

Internal Control and Risk Management

Internal Control

The company values strong internal control system that can adequately protect the interest of all its stakeholders including but not limited to shareholders, employees, supplier, customers, and social. By applying a suitable internal control model, the company can achieve its corporate goals effectively and efficiently in terms of its operation, financing, regulation, and corporate governance to achieve organizational goal.

Internal audit is a vital part of internal control system, the audit committee appointed Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd. which has had previous experience in internal audit. The audit company is qualified as shown in attachment 3 in form 56-1.

Risk Management

The company's Risk Management Committee set the risk management policy and procedure for the management to execute. The management team is responsible for identifying risk factors and planning effective control systems. By considering the risk factors, the management can develop a better business model and control system that will enable it to manage risk at an acceptable level as detailed in risk factors section.

Currently, the Company has appointed the advisory company that has had international experience and has advised the company to establish sector responsible for development of risk management corresponding to organization objectives and goals.

Connected Transactions

Persons that may cause potential conflict of interest consist of shareholders and/or executives of the Company or Related companies which are the companies that may consist of potential conflict from directors or shareholders of the companies as detailed below:

No.	Potentially conflicted persons	Nature of Relationship
1.	Mr. Anant Tangtongwechakit	is a director of the Company and holds 4.06% of the Company's shares.
2.	Miss Chittima Tangtrongwechakit	is a director of the Company and holds 4.05% of the Company's shares.
3.	Mr. Sarit Tangtrongwechakit	is a director of the Company and holds 4.05% of the Company's shares.
4.	Mr. Adisak Tangtrongwechakit	is a director of the Company and holds 4.05% of the Company's shares.
5.	Mrs. Jirawan Pongpichitkul	is a director of the Company and holds 4.05% of the Company's shares.
6.	Mrs. Wanphen Punyaniran	is a director of the Company and holds 4.05% of the Company's shares.
7.	Mr. Prasit Punyaniran	is a spouse of Mrs. Wanphen Punyaniran.
8.	Police General Charnchai Pongpichitkul	is a spouse of Mrs. Jirawan Pongpichitkul.
9.	Mr. Pond Rattanapunsak	is a spouse of Miss Chittima Tangtrongwechakit.
10.	Mrs. Pakinee Tangtrongwechakit	is a spouse of Mr. Sarit Tangtrongwechakit.
11.	BRS Train Terminal Logistics Co., Ltd.	consists of persons no. 1-6 as shareholders and has 2 co-directors with the Company which are Mr. Anant Tangtongwechakit and Mr. Adisak Tangtrongwechakit.
12.	The Thai Sugar Trading Co., Ltd.	has 1 co-director with the Company which is Mr. Anant Tangtongwechakit and the Company holds 5.12% of the shares.
13.	Buriram Capital Co., Ltd.	has 6 co-directors with the Company which are persons number 1-6 and also holds 50.00% of the Company's shares.

Connected transaction with potential conflict parties

Related companies:	The nature of the transactions of the Company	Amount 2014 (THB)	Rationale of the transaction
1. The Thai Sugar Trading Co., Ltd.	<p><u>Transaction with the Company</u></p> <p>Revenue from sales</p> <p>Selling and administrative expenses (Export agent charge, Financial instruments trading agent charge, Transportation at sea port fee, Export documents and customs procedures operation fee)</p> <p>Account receivable</p>	<p>2,129,347,150.21</p> <p>4,292,995.85</p> <p>124,745,984.72</p>	<ul style="list-style-type: none"> - The Company appoints TSTC. Licensed by the Cane and Sugar Board to export sugar under the Cane and Sugar Act, as the Company's agent for sugar exports - The Thai Sugar Trading Co., Ltd. founded via collaboration of 17 sugar factories. Each company hold shares in proportion respective to their export quantity. The Directors of The Thai Sugar Trading Co., Ltd. consists of representatives from each company for powerbalancing. - In sugar export, the Company contact customers by itself. The Thai Sugar Trading Co., Ltd. provides service in product handling and export document operation only. - Product handling and export cost that the Company paid to The Thai Sugar Trading Co., Ltd. is at the standard rate which The Thai Sugar Trading Co., Ltd. equally charge to other companies. - The Thai Sugar Trading Co., Ltd. signs loan contract for BSF export with a commercial bank on behalf of The Thai Sugar Trading Co., Ltd. for financial support. The Thai Sugar Trading Co., Ltd. will transfer amount of money received from export loan with the commercial bank to BSF. BSF then issues promissory note to The Thai Sugar Trading Co., Ltd. for money receipt. The interest rate that BSF pay to The Thai Sugar Trading Co., Ltd. in the promissory note is same as interest rate that The Thai Sugar Trading Co., Ltd. pays to the commercial bank. <p><u>Opinion of the Audit Committee</u></p> <ul style="list-style-type: none"> - To appoint TSTC to be an export agent and to receive support loan for export from a commercial bank through TSTC is necessary for business according to related laws. - Export service expense and connected interest rate are reasonable.
2. Six Directors which are Mr. Anant Tangtongwechakit, Miss Chittima Tangtrongwechakit, Mr. Sarit Tangtrongwechakit, Mr. Adisak Tangtrongwechakit, Mrs. Jirawan Pongpichitkul, and Mrs. Wanphen Punyaniran	<p>Six directors are guarantors of hire purchase loan for 15 automobiles and 5 equipments to transport materials of the Company group with commercial banks and hire purchase companies totaled 11 organizations.</p> <p>The guarantee amounts 20,541,244.32 Baht.</p>		<ul style="list-style-type: none"> - The hire purchase loan was carried out for administration and operation of the Company. <p><u>Opinion of the Audit Committee</u></p> <ul style="list-style-type: none"> - Loan guarantee is an ordinary condition of a hire purchase company which is necessary for ordinary operation of the business. Since no guarantee fee is charged, the Company and its subsidiaries do not lose benefit from carrying out the transaction.

Related companies:	The nature of the transactions of the Company	Amount 2014 (THB)	Rationale of the transaction										
3. Three Directors which are Mr. Anant Tangtongwechakit, Miss Chittima Tangtongwechakit, and Mrs. Jirawan Pongpichitkul	Mr. Anant Tangtongwechakit is a guarantor of long-term loan amounted THB 7.71 million from a commercial bank.		<ul style="list-style-type: none">- The loan is for purchasing space of juristic person condominium office building to use for office space of the Company. The loan's condition specified that director of the Company must be a guarantor. <p><u>Opinion of the Audit Committee</u></p> <ul style="list-style-type: none">- Loan guarantee is an ordinary condition of a commercial bank which is necessary for ordinary operation of the business. Since no guarantee fee is charged, the Company and its subsidiaries do not lose benefit from entering the transaction.										
4. Five Directors which are Mr. Anant Tangtongwechakit, Miss Chittima Tangtongwechakit, Mr. Sarit Tangtongwechakit, Mr. Adisak Tangtongwechakit, and Mrs. Jirawan Pongpichitkul	Guarentee of loan of the Company and its subsidiaries with a commercial bank valued 3,221.04 million Baht		<ul style="list-style-type: none">- The loan is made to provide liquid capital for manufacturing and asset procurement for operation of subsidiaries. No guarantee fee is charged. <p><u>Opinion of the Audit Committee</u></p> <ul style="list-style-type: none">- Loan guarantee is an ordinary condition of a commercial bank which is necessary for ordinary operation of the business. Since no guarantee fee is charged, the Company and its subsidiaries do not lose benefit from entering the transaction.										
5. Six Directors which are Mr. Anant Tangtongwechakit, Miss Chittima Tangtongwechakit, Mr. Sarit Tangtongwechakit, Mr. Adisak Tangtongwechakit, Mrs. Jirawan Pongpichitkul, and Mrs. Wanphen Punyaniran and close relatives of directors which are Police General Charnchai Pongpichitkul, Mr. Pond Rattanapunsak, and Mrs. Pakine Tangtongweachakij	<p><u>Farmer receivable — advance credit</u></p> <p>Farmer receivable — advance credit</p> <p>In production year 2013/2014 and 2014/2015, BSF has provided advance credit to the directors and their close relatives which due when delivering cane to the factory as detailed below</p> <table><tr><td>Loan at the beginning of period</td><td>15,759,868.65</td></tr><tr><td>Loan during period</td><td>18,286,773.97</td></tr><tr><td>Total loan</td><td>34,046,642.62</td></tr><tr><td>Pay during period</td><td>(14,163,885.29)</td></tr><tr><td>Remaining advance credit receiveable</td><td>19,882,757.33</td></tr></table>	Loan at the beginning of period	15,759,868.65	Loan during period	18,286,773.97	Total loan	34,046,642.62	Pay during period	(14,163,885.29)	Remaining advance credit receiveable	19,882,757.33		<ul style="list-style-type: none">- To provide advance credit to farmers for liquidity of cane growing to ensure cane procurement is an ordinary operation of general sugar factory. The price and condition applied to the directors and their relatives are as same as normal farmers's.- Cane procurement is an ordinary business process of the Company. The cane price purchasing from the directors and their close relatives are as same as other farmers'. <p><u>Opinion of the Audit Committee</u></p> <ul style="list-style-type: none">- To give advance credit and cane procurement is an ordinary operation of sugar factory business. The price and condition are same with normal persons'.
Loan at the beginning of period	15,759,868.65												
Loan during period	18,286,773.97												
Total loan	34,046,642.62												
Pay during period	(14,163,885.29)												
Remaining advance credit receiveable	19,882,757.33												

Related companies:	The nature of the transactions of the Company	Amount 2014 (THB)	Rationale of the transaction
6. BRS Train Terminal Logistics Co., Ltd.	<p>The Company appoints BRS Train Terminal Logistics Co., Ltd. to transport products of the Company.</p> <p>BRS Train Terminal Logistics Co., Ltd. rent the Company's area as office</p> <p>Transporation fee</p> <p>Rental fee</p>	<p>85,190,482.90</p> <p>1,083,191.80</p>	<p>- The Company needs to transfer goods of the Company to customer; ergo, the Company appoint BRS Train Terminal Logistics Co., Ltd. for delivering.</p> <p><u>Opinion of the Audit Committee</u></p> <p>- To appoint other parties to transport goods is an ordinary activity and necessary for business. The BRS Train Terminal Logistics Co., Ltd.' price are general rates in the market.</p>

Measures for approval of connected transaction

Normal business transactions including product trade, raw material trade, service providing, or advance credit for farmers can be conducted with potentially conflicted persons if the conditions of such transactions are sufficiently ordinary that person of ordinary prudence would conduct and the conditions of such transactions are without any special bargaining power that occurred from influence of being a director, an executive, or any related persons. The Company will summarize the transactions to the Audit Committee for acknowledgement in every quarter that such transactions occurred.

Before undertaking, other connected transactions aside from normal business transactions must be reviewed and approved by the Audit Committee who will provide opinion about necessity of such transactions and appropriateness of price to be ensured that they will be carried out in conformance to normal market practice at fair and reasonable price. For entering other transactions between the Company or its subsidiaries and potentially conflicted person, the transactions must be reviewed by the Audit Committee and must be approved by the Board of Directors before undertaking. The directors who involve in such potential conflict of interest shall not attend the meeting in those agendas. In case that the Audit Committee and/or the Board of Directors have no expertise in any of the connected transaction, the Company shall appoint independent expert or the Company's auditor to provide their opinion on such transaction for the Audit Committee and/or the Board of Directors and/or the shareholders as appropriate.

The Board of Directors must supervise the Company to act in accordance with laws, regulations, announcements, orders, or rules of the Stock Exchange of Thailand or of the Securities and Exchange Commission or of the Capital Market Supervisory Board. Additionally, the Company shall disclose connected transaction in each channel in conformance to regulations of the Stock Exchange of Thailand and related organizations.

Policy on future connected transaction

Future connected transactions between the Company and connected companies will be conducted as part of the normal course of business, for example, cane procurement and cane growing support money. The price of products purchased will be clearly set in agreement and or linked to market prices with no special favors and no transfer of benefits. The transactions will be primarily based on the Company's benefits and always reviewed by Audit Committee.

Loan contract guarantee that happen between the Company or its subsidiaries and persons that may cause potential conflict of interest shall exist because of necessity of loan request from financial institute to procure raw material, promote farmers' cane growing, as well as provide financial liquidity which is normal conditions of a commercial bank to provide commercial loan. The Company or its subsidiaries shall not have expense from the guarantee.

Loan to persons that may cause potential conflict of interest shall occur for business operation in respect of the necessity and appropriateness of such transactions. The Company shall provide loan contract and set clear conditions mainly concerning about benefit to the Company. Additionally, the Company and its subsidiary do not have any policies on loan providing or debt guarantee, aside from cane growing support money, to persons that may cause potential conflict of interest.

For any connected transaction that may cause potential future conflict of interest, the Board of Directors shall govern the Company's operation to ensure that they are in compliance with the securities laws and the regulations of the SET including the regulation with regard to the information disclosure of the Connected Transaction and the Acquisition and Dispositions of assets of the Company or the subsidiary.

Report of the Risk Management Committee

Buriram Sugar Public Co., Ltd. has been aware of the gravity of risk management which may significantly affect goals and accomplishments of the operations of the Company and its subsidiaries; hence, the Company has set a clear policy of treasuring sustainable risk management and appointed the Risk Management Committee consisted of the Chairman of Risk Management Committee, Mr. Anant Tangtongwechakit, and 4 Risk Management Committees which are Mrs. Jirawan Pongpichitkul, Miss Chittima Tangtrongwechakit, Mr. Sarit Tangtrongwechakit, and Mr. Adisak Tangtrongweachakit. Buriram Sugar Public Co., Ltd. has appointed advisor for enterprise risk management to develop accepted framework and risk management procedure in conformance to regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission for company registered in Thailand. The Company has also organized workshop on risk management to employees and the Executives by expert lecturer which is well-received. After the workshop and the interview of the employees and the Executives, the Company has designed corporate risk management manual in collaboration with the advisor and convened operational meeting to summarize and create solid risk management framework.

Buriram Sugar Public Co., Ltd. currently emboldens management-required risk owner to create risk management plan supervised by the Risk Management Committee for practical use to develop sustainable risk management system, generate long-term benefits to the Company and its subsidiaries, and gain valued trust. The Risk Management Committee believe that the risk management activities that the Company and the Committee continuously developed can lead the Company and its subsidiaries to achieve its operational objectives as specified in the business plan and can be considered as the processes to develop and maintain value of the organization to deliver to both the Company's shareholders and stakeholders.

Report of the Audit Committee

Attn: All shareholders of Buriram Sugar Public Company Limited

The Board of Directors of the Company has appointed the Audit Committee responsible for report reviews, which involved 3 independent directors as listed below:

- | | |
|----------------------------|---------------------------------|
| 1. Mr. Prachuab Chaiyasan | Chairman of the Audit Committee |
| 2. Mr. Sirichai Sombutsiri | the Audit Committee |
| 3. Mrs. Seenual Tasanapant | the Audit Committee |

In 2014, the Audit Committee had meeting with the Internal Audit Office and the auditor totaled 9 meeting. The details of the Audit Committee attendant are as follow:

Name-Surname	No. of Meeting
Mr. Prachuab Chaiyasan	9/9
Mr. Sirichai Sombutsiri	8/9
Mr. Amnuay Patise	6/6
Mrs. Seenual Tasanapant	2/2

Remark: Mrs. Seenual Tasanapant was appointed as the Audit Committee represent as Mr. Amnuay Patise on October 3, 2014; hence, only 2 Audit Committees attended Audit Committee meeting No.7/2014.

A summary of the important work performed by the Audit committee and its opinions are as follow:

Reviews of financial statements

The Audit Committee has reviewed the Company's quarterly financial statements, yearly financial statement, the disclosure of material information in the footnotes to financial statements, and the connected accounting transaction for year 2014 which have been audited and review by the auditor. The Committee deemed that the financial reports for 2014 were accurate, adequate, reliable, and in line with generally accepted accounting standards.

Reviews and Evaluation of internal control system adequacy

The Audit Committee has reviewed the adequacy of the Company's internal control system with the auditor and the Internal Audit Office. It has been deemed that the Company's internal control system is sufficient and can reasonably establish confidence in the Company's achievements in term of efficient and effective operations and compliance with applicable rules and policies.

Additionally, the Audit Committee considers and approves the appliance of COSO - Internal Control Integrated Framework 2013 to evaluate 2014 internal control system and promote internal control advancement.

Compliance with the law and regulations

The Audit Committee verified the Company's compliance with applicable laws. No matters of importance indicating that the Company had violated any laws, rules and requirements of the Securities & Exchange Commission, the SET regulations, and the laws related to the Company's operation were found.

Suitability of the auditors

The Audit Committee deemed that the performance of the auditor from PricewaterhouseCoopers ABAS Ltd. was independent and appropriate according to the auditing standards. Ergo, the committee has agreed to propose to the Board that the shareholder's meeting to continue appointing PricewaterhouseCoopers ABAS Ltd. as its auditor for 2015.

Reviews of connected transactions

The Audit Committee has considered and reviewed the disclosure of connected transactions made between the Company and its affiliated company and subsidiaries, which possibly caused conflicts of interest. The reviewing results show that the Company's businesses have been operated under normal business conditions, fairness and rationality. The Audit Committee has also reviewed the information disclosure of connected transaction and the footnotes to financial statements to ensure that it has been complete and adequate by adhering to the notifications of the Stock Exchange of Thailand and the Securities and Exchange Commission Thailand.

Reviews of good corporate governance

The audit committee have always valued the management in accordance with the good corporate governance and constantly reviewed to ensure the regarding policy implementation.

Reviews of risk management

The Audit Committee has considered and reviewed the criteria of enterprise risk assessment correspondingly with COSO-ERM to unceasingly assess risk factors that may affect the Company's operation both short-term and long-term. The Company has disclosed significant risk factors in topic 'Risk Factors' in 2014 Annual Report.



(Mr. Prachuab Chaiyasan)

Chairman of the Audit Committee

FINANCIAL STATEMENTS

Auditor's Report

To the Shareholders of

Buriram Sugar Public Company Limited

I have audited the accompanying consolidated and company financial statements of Buriram Sugar Public Company Limited and its subsidiaries and of Buriram Sugar Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Buriram Sugar Public Company Limited and its subsidiaries and of Buriram Sugar Public Company Limited as at 31 December 2014, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Prasit Yuengsrikul

Certified Public Accountant (Thailand) No. 4174

PricewaterhouseCoopers ABAS Ltd.

Bangkok

26 February 2015

**Buriram Sugar Public Company Limited
Consolidated And Company
Financial Statements
31 December 2014**

Buriram Sugar Public Company Limited
Statement of Financial Position
As at 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	348,532,521	34,438,054	223,683,992	4,867,890
Trade and other receivables - net	8, 26	302,873,569	93,412,794	255,203,318	46,477,460
Farmer receivables - net	9	770,792,360	1,024,840,798	15,641,446	27,603,618
Inventories - net	10	610,541,403	666,115,232	-	-
Other current assets	11	73,368,417	39,593,191	17,261,650	25,680,748
Total current assets		2,106,108,270	1,858,400,069	511,790,406	104,629,716
Non-current assets					
Available for sale investment		570,520	-	570,520	-
General investments		1,409,950	1,909,950	2,175	502,175
Investment in subsidiaries	12	-	-	1,270,478,100	1,270,478,100
Long-term borrowings to related parties	26	-	-	2,183,190,318	451,409,325
Property, plant and equipment - net	13	3,051,997,385	1,800,305,907	22,238,783	31,774,223
Intangible assets		12,008,156	-	-	-
Deferred tax assets - net	14	211,382,601	234,484,632	12,145,179	13,963,895
Other non-current assets		2,192,630	2,788,638	-	879,481
Total non-current assets		3,279,561,242	2,039,489,127	3,488,625,075	1,769,007,199
Total assets		5,385,669,512	3,897,889,196	4,000,415,481	1,873,636,915

Director _____

Date _____

The condensed notes to the financial information on pages 11 to 42 are an integral part of this financial information.

Buriram Sugar Public Company Limited
Statement of Financial Position
As at 31 December 2014

	Notes	Consolidated		Company	
		2014	2013	2014	2013
		Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts	16	34,435,771	43,645,574	-	-
Trade and other payables	15, 26	488,659,795	842,601,609	243,334,327	248,118,317
Share payables	26	-	999,400	-	999,400
Short-term borrowings from financial institutions	16	2,174,930,649	1,471,361,222	1,270,000,000	400,000,000
Current portion of long-term borrowings					
from financial institutions	16	159,878,070	85,116,470	-	-
Current portion of finance lease liabilities	16	10,150,845	14,874,495	10,656	1,179,778
Income tax payable		4,308,534	29,632,013	366,326	-
Other current liabilities	17	31,489,127	34,879,250	6,694,068	4,564,921
Total current liabilities		2,903,852,791	2,523,110,033	1,520,405,377	654,862,416
Non-current liabilities					
Long-term borrowings from financial institutions	16	452,901,495	691,907,648	-	-
Finance lease liabilities	16	9,673,567	15,486,033	-	10,656
Employee benefit obligation	18	30,837,042	32,710,569	11,748,599	13,284,077
Total non-current liabilities		493,412,104	740,104,250	11,748,599	13,294,733
Total liabilities		3,397,264,895	3,263,214,283	1,532,153,976	668,157,149

The condensed notes to the financial information on pages 11 to 42 are an integral part of this financial information.

Buriram Sugar Public Company Limited
Statement of Financial Position
As at 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
Notes		Baht	Baht	Baht	Baht
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital					
Authorised share capital					
	676,750,000 ordinary shares at par value of Baht 1 each	676,750,000	676,750,000	676,750,000	676,750,000
Issued and paid-up share capital					
	676,750,000 ordinary shares fully paid-up of Baht 1 each (31 December 2013: 507,567,500 ordinary shares fully paid-up of Baht 1)	19	676,750,000	507,567,500	676,750,000
	Fair value reserve		(347,456)	(417,976)	(347,456)
	Premium on ordinary shares		954,665,813	11,504,750	954,665,813
Retained earnings					
	Appropriated				
	- Legal reserve	21	18,096,416	1,857,898	9,439,650
	Unappropriated		338,971,884	114,138,032	827,753,498
			1,988,136,657	634,650,204	2,468,261,505
	Non-controlling interests		267,960	24,709	-
			1,988,404,617	634,674,913	2,468,261,505
	Total shareholders' equity		5,385,669,512	3,897,889,196	4,000,415,481
	Total liabilities and shareholders' equity		5,385,669,512	3,897,889,196	4,000,415,481

The condensed notes to the financial information on pages 11 to 42 are an integral part of this financial information.

Buriram Sugar Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2014

	Notes	Consolidated		Company	
		2014	2013	2014	2013
		Baht	Baht	Baht	Baht
Revenue from sales and services		3,920,315,008	3,978,866,750	-	1,399,191
Cost of sales and services		(3,089,683,579)	(3,213,044,427)	-	(1,399,191)
Gross profit		830,631,429	765,822,323	-	-
Other income	22	23,920,798	29,933,029	324,396,440	113,038,351
Gain (loss) on foreign exchange rate		9,792,503	(24,242,168)	-	-
Selling expenses		(160,268,155)	(142,849,732)	-	(7,913)
Administrative expenses		(300,595,379)	(261,295,290)	(124,062,311)	(104,731,573)
Finance costs		(117,018,179)	(96,942,265)	(48,556,910)	(8,079,429)
Profit before income tax expense		286,463,017	270,425,897	151,777,219	219,436
Income tax expense	24	(50,153,736)	(64,862,865)	(3,862,318)	3,354,299
Net profit for the year		236,309,281	205,563,032	147,914,901	3,573,735
Other comprehensive income (expense):					
Gain on re-measuring available-for-sale investment, net from deferred tax		70,520	-	70,520	-
Actuarial gain (loss) on defined employee benefit plans, net from deferred tax		5,106,154	(9,291,490)	2,452,755	(4,305,152)
Total comprehensive income (loss) for the year		241,485,955	196,271,542	150,438,176	(731,417)
Profit attributable to:					
Owners of the parent		235,967,740	205,325,996	147,914,901	3,573,735
Non-controlling interests		341,541	237,036	-	-
		236,309,281	205,563,032	147,914,901	3,573,735
Total comprehensive income (loss) attributable to:					
Owners of the parent		241,142,890	196,045,745	150,438,176	(731,417)
Non-controlling interests		343,065	225,797	-	-
		241,485,955	196,271,542	150,438,176	(731,417)
Basis earnings (loss) per share (Baht)					
Net profit (loss) for the year	25	0.44	0.49	0.28	(0.00)

The condensed notes to the financial information on pages 11 to 42 are an integral part of this financial information.

Buriram Sugar Public Company Limited
Statement of Changes in Shareholders' Equity
For the year ended 31 December 2014

Consolidated													
	Notes	Issued and paid-up share capital	Retained earnings				Other components of Shareholders' Equity				Total Baht		
			Baht	Premium on ordinary shares Baht	Appropriated		Unappropriated		Fair value reserve			Total owners of the parent Baht	Non-controlling interests Baht
					Legal reserve Baht	Baht	Baht	Baht	Baht	Baht			
Opening balance as at 1 January 2014													
	19	507,567,500	11,504,750	1,857,898	114,138,032	(417,976)			634,650,204	24,709	634,674,913		
		169,182,500	943,161,063	-	-	-			1,112,343,563	-	1,112,343,563		
	20	-	-	-	-	-			-	(100,264)	(100,264)		
	21	-	-	16,238,518	(16,238,518)	-			-	-	-		
		-	-	-	-	-			-	450	450		
		-	-	-	-	-	70,520		70,520	-	70,520		
		-	-	-	241,072,370	-			241,072,370	343,065	241,415,435		
Closing balance as at 31 December 2014													
		676,750,000	954,665,813	18,096,416	338,971,884	(347,456)			1,988,136,657	267,960	1,988,404,617		
Opening balance as at 1 January 2013													
	19	320,000,000	-	258,579	120,580,495	(417,976)			440,421,098	798,312	441,219,410		
		187,567,500	11,504,750	-	-	-			199,072,250	-	199,072,250		
	20	-	-	-	(200,888,889)	-			(200,888,889)	-	(200,888,889)		
	21	-	-	1,599,319	(1,599,319)	-			-	-	-		
		-	-	-	-	-			-	(999,400)	(999,400)		
		-	-	-	196,045,745	-			196,045,745	225,797	196,271,542		
Closing balance as at 31 December 2013													
		507,567,500	11,504,750	1,857,898	114,138,032	(417,976)			634,650,204	24,709	634,674,913		

The condensed notes to the financial information on pages 11 to 42 are an integral part of this financial information.

Buriram Sugar Public Company Limited
Statement of Changes in Shareholders' Equity
For the year ended 31 December 2014

	Notes	Company							
		Issued and Paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of Shareholders' Equity			
				Appropriated Legal reserve	Unappropriated	Fair value reserve			
						Baht	Baht	Baht	Baht
Opening balance as at 1 January 2014									
Proceeds from shares issued	19	507,567,500	11,504,750	1,857,898	684,967,594	(417,976)		1,205,479,766	
Legal reserve	21	169,182,500	943,161,063	-	-	-		1,112,343,563	
Fair value reserve		-	-	7,581,752	(7,581,752)	-		-	
Total comprehensive income for the year		-	-	-	150,367,656	70,520		70,520	
Closing balance as at 31 December 2014									
		676,750,000	954,665,813	9,439,650	827,753,498	(347,456)		2,468,261,505	
Opening balance as at 1 January 2013									
Proceeds from shares issued	19	320,000,000	-	258,579	888,187,219	(417,976)		1,208,027,822	
Dividend paid	20	187,567,500	11,504,750	-	-	-		199,072,250	
Legal reserve	21	-	-	-	(200,888,889)	-		(200,888,889)	
Total comprehensive loss for the year		-	-	1,599,319	(1,599,319)	-		-	
		-	-	-	(731,417)	-		(731,417)	
Closing balance as at 31 December 2013									
		507,567,500	11,504,750	1,857,898	684,967,594	(417,976)		1,205,479,766	

The condensed notes to the financial information on pages 11 to 42 are an integral part of this financial information.

Buriram Sugar Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2014

	Notes	Consolidated		Company	
		2014	2013	2014	2013
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before corporate income tax for the year		286,463,017	270,425,897	151,777,219	219,436
Adjustments to reconcile profit before corporate income tax to net cash provided by operations:					
- Depreciation and amortisation		93,128,031	65,459,901	3,540,819	4,471,659
- (Recovery of) allowance for doubtful accounts	9	(721,606)	16,718,512	(58,999)	12,384,250
- Allowance for decreasing in value		569,868	39,003,387	-	-
- Employee benefits obligation		3,232,627	2,669,847	917,277	1,000,142
- Financial costs		117,018,179	96,942,265	48,556,910	8,079,429
- Interest income	22	(3,850,748)	(4,142,107)	(70,065,260)	(14,526,175)
- Dividend income	22	(153,510)	-	(141,049,735)	-
- Recovery of provision of investment		-	(81,751)	-	(81,751)
- Loss on write off property, plant and equipment		7,586,465	4,996,467	7,461,231	4,970,320
- ((Gain) loss on sale property, plant and equipment		(495,325)	477,992	(495,325)	477,992
Cash flows before changes in operating assets and liabilities		502,776,998	492,470,410	584,137	16,995,302
Operating assets and liabilities (increase) decrease					
- Trade and other receivables		(209,460,775)	(23,659,937)	(54,696,930)	(20,144,724)
- Farmer receivables		254,770,044	(160,076,522)	12,021,171	19,447,335
- Inventories		55,003,961	(78,656,631)	-	1,399,191
- Other current assets		(33,775,226)	(3,802,756)	8,419,098	(4,366,174)
- Other non-current asset		596,008	(1,909,158)	879,481	(1)
- Trade and other payables		(352,700,133)	123,158,237	(2,536,259)	(12,610,012)
- Other current liabilities		(3,390,123)	7,505,503	2,129,147	2,383,563
Cash generated from operating activities		213,820,754	355,029,146	(33,200,155)	3,104,480
- Income tax paid		(52,375,184)	(80,791,481)	(1,677,277)	(12,354,499)
- Interest paid		(118,360,125)	(96,834,457)	(50,804,641)	(6,666,078)
Net cash generated from (used in) operating activities		43,085,445	177,403,208	(85,682,073)	(15,916,097)

The condensed notes to the financial information on pages 11 to 42 are an integral part of this financial information.

Buriram Sugar Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
Notes		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Interest received		3,850,748	4,142,107	57,094,574	1,689,549
Dividend received		153,510	-	-	-
Long-term borrowings to related parties		-	-	(1,731,789,499)	(327,590,000)
Proceeds from sale general investment		-	-	-	1,407,775
Proceeds from sale property, plant and equipment		514,954	2,383,178	514,954	2,383,178
Purchases of property, plant and equipment		(1,359,333,112)	(720,558,337)	(1,486,239)	(1,873,126)
Net cash used in investing activities		(1,354,813,900)	(714,033,052)	(1,675,666,210)	(323,982,624)
Cash flows from financing activities					
Increase in short-term borrowings	16	694,359,624	692,038,201	870,000,000	400,000,000
from financial institutions					
Proceeds from long-term borrowings					
from financial institutions	16	-	65,820,000	-	-
Repayments for finance lease liabilities	16	(15,636,762)	(17,513,631)	(1,179,778)	(481,354)
Proceeds from issue of ordinary shares		1,112,344,013	199,072,250	1,112,343,563	199,072,250
Repayments on share payable		(999,400)	-	(999,400)	-
Repayments on long-term borrowings from					
financial institutions and others	16	(164,244,553)	(182,788,430)	-	(2,862,548)
Decrease in borrowings from directors		-	(51,317,615)	-	(12,975,679)
Dividend paid	20	-	(200,888,889)	-	(200,888,889)
Repayments on long-term borrowings from related parties		-	-	-	(45,300,000)
Net cash generated from financing activities		1,625,822,922	504,421,886	1,980,164,385	336,563,780
Net increase (decrease) in cash and cash equivalents		314,094,467	(32,207,958)	218,816,102	(3,334,941)
Opening balance		34,438,054	66,646,012	4,867,890	8,202,831
Closing balance		348,532,521	34,438,054	223,683,992	4,867,890

The condensed notes to the financial information on pages 11 to 42 are an integral part of this financial information.

**Buriram Sugar Public Company Limited
Notes To The Consolidated And
Company Financial Statements
For The Year Ended 31 December 2014**

1. General information

Buriram Sugar Public Company Limited (the “Company”) is a company limited incorporated and resident in Thailand on 21 February 1964. The address of the Company’s registered office is as follows:

Head office: Located at 237 moo 2, Tambol Hin Lek Fai, Amphur Kumueug, Buriram 31190.

The 1st Branch: Located at 128/77-78, 7th floor, Phayathai Plaza Building, Tungphayathai Ratchathewee Bangkok 10400.

For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The principal business operations of the Group are summarised as follows:

- 1) Manufacturing and distribution of sugar and molasses
- 2) Trading agricultural products
- 3) Power plant for electricity generation and power for sale
- 4) Other businesses

These Group consolidated financial statements were authorised for issue by the Board of Directors on 26 February 2015.

2. Accounting policies

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis for preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the

consolidated financial statements are disclosed in note 4. An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New financial reporting standards and revised financial reporting standards

1) Revised accounting standards which are effective on 1 January 2014 and are relevant to the Group :

TAS 1 (Revised 2012)	Presentation of financial statements	IFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TAS 7 (Revised 2012)	Statement of cash flows		
TAS 12 (Revised 2012)	Income taxes	IFRIC 4	Determining whether an arrangement contains a lease
TAS 17 (Revised 2012)	Leases	IFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TAS 18 (Revised 2012)	Revenue		
TAS 19 (Revised 2012)	Employee benefits		
TAS 21 (Revised 2012)	The effects of changes in foreign exchange rates	IFRIC 7	Applying the restatement approach under TAS 29 financial reporting in hyperinflationary economies
TAS 24 (Revised 2012)	Related party disclosures		
TAS 28 (Revised 2012)	Investments in associates	IFRIC 10	Interim financial reporting and impairment
TAS 31 (Revised 2012)	Interest in joint ventures	IFRIC 12	Service concession arrangements
TAS 34 (Revised 2012)	Interim financial reporting	IFRIC 13	Customer loyalty programmes
TAS 36 (Revised 2012)	Impairment of assets	IFRIC 17	Distributions of non-cash assets to owners
TAS 38 (Revised 2012)	Intangible assets	IFRIC 18	Transfers of assets from customers
TFRS 2 (Revised 2012)	Share-based payment	TSIC 15	Operating leases - incentives
TFRS 3 (Revised 2012)	Business combinations	TSIC 27	Evaluating the substance of transactions in the legal form of a lease
TFRS 5 (Revised 2012)	Non-current assets held for sale and discontinued operations	TSIC 29	Service concession arrangements: Disclosure
TFRS 8 (Revised 2012)	Operating segments	TSIC 32	Intangible assets - Web site costs

TAS 1 (revised 2012) clarifies that conversion features that are at the holder's discretion do not impact the classification of the liability component of the convertible instrument. TAS 1 also explains that, for each component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This standard has no impact to the Group.

TAS 7 (revised 2012) clarifies that only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as investing activities. The Group's management assessed that the revised standard has no material impact to the Group's operations.

TAS 12 (revised 2012) amends an exception to the existing principle for the measurement of deferred tax assets or liabilities on investment property measured at fair value. TAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment therefore adds the rebuttable presumption that the carrying amount of an investment property measured at fair value is entirely recovered through sale. As the result of the amendment, TSIC 21 - Income tax - recovery of revalued non-depreciable assets is incorporated in to TAS 12 (revised 2012). This standard has no impact to the Group.

TAS 17 (revised 2012) deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with TAS 17's general principles. This standard has no impact to the Group.

TAS 18 (revised 2012) removes the appendix to TAS 18. This standard has no impact to the Group.

TAS 19 (revised 2012) deletes the transition provisions of the current TAS 19. The Group's management assessed that the revised standard has no impact to the Group's operations.

TAS 21 (revised 2012) clarifies the method of recording cumulative amount of the exchange different relating to disposal or partial disposal of a foreign operation. This matter should be adjusted prospectively effective for the period begins on or after 1 January 2011. The Group's management' assessed that the revised standard has no impact to the Group's operations.

TAS 24 (revised 2012) removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of related parties. This standard has no impact to the Group.

TAS 34 (revised 2012) emphasises the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if significant), and the need to update relevant information from the most recent annual report. This standard has no impact to the Group.

TAS 36 (revised 2012) clarifies that goodwill being allocated to cash-generating units shall not be larger than an operating segment before aggregation as defined under TFRS 8 - Operating Segments. This standard has no impact to the Group.

TAS 38 (revised 2012) clarifies that an intangible asset acquired in a business combination might be separable, but only together with a related contract, identifiable asset or liability. In such cases, intangible asset is recognised separately from goodwill, but together with related item. Intangible assets are recognised as a single asset provided the individual assets have similar useful lives. This standard has no impact to the Group.

TFRS 2 (revised 2012) expands the scope to cover classification and accounting of both cash-settled and equity-settled share-based payment transactions in group situation. This standard has no impact to the Group.

TFRS 3 (revised 2012) amends the measurement required for non-controlling interests. The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation. All other component of non-controlling interests is measured at fair value unless another measurement basis is required by TFRS. The application guidance in TFRS 3 (revised 2012) also applies to all share-based payment transactions that are part of a business combination, including unreplaced and voluntarily replaced share-based payment awards. This standard has no impact to the Group.

TFRS 5 (revised 2012) specifies the disclosures required for assets held for sale and discontinued operations. Disclosures in other standards do not apply, unless those TFRS requires. This standard has no impact to the Group. TFRS 8 (revised 2012) clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker. This standard has no impact to the Group.

TFRIC 1 provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that results from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate. This interpretation has no impact to the Group.

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. The management is currently assessing the impact of TRIC 4.

TFRIC 5 provide guidance on accounting in the financial statements of a contributor for interests arising from decommissioning funds that the assets are administered separately and a contributor's right to access the assets is restricted. TFRIC 5 is not relevant to the Group.

TFRIC 7 provides guidance on how to apply the requirements of TAS 29, Financial Reporting in Hyperinflationary Economics, in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. TFRIC 7 is not relevant to the Group's operations.

TFRIC 10 prohibits reversal of an impairment losses recognised in a previous interim period in respect of goodwill. This interpretation has no impact to the Group.

TFRIC 12 applies to public-to-private service concession arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. TFRIC12 is not relevant to the Group's operations.

TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. TFRIC 13 is not relevant to the Group's operations.

TFRIC 17 provides guidance on accounting for the distributions of non-cash assets to owners acting in their capacity as owners. The interpretation addresses the issues on the dividend payable recognition and measurement and the accounting for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when an entity settles the dividend payable. This interpretation has no impact to the Group.

TFRIC 18 sets out the accounting for transfers of items of property, plant and equity by entities that receive such transfers from their customers. Agreements within the scope of this interpretation are agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect to a network or to provide the customer with ongoing access to supply of goods or services. The interpretation addresses the issues on the initial recognition and the accounting treatment of the transferred assets. This interpretation has no impact to the Group. TSIC 15 sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease. This interpretation has no impact to the Group.

TSIC 27 provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS 17 "Leases". The accounting shall reflect the substance of the arrangement. This interpretation has no impact to the Group.

TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements. This interpretation has no impact to the Group.

TSIC 32 provides guidance on the internal expenditure on the development and operation of the entity web site for internal or external access. The entity shall comply with the requirements described in TAS 38 "Intangible Assets". This interpretation has no impact to the Group.

2) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group and are not early adopted:

a) Financial reporting standards, which are expected to have a significant impact to the Group:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interests in other entities
TFRS 13	Fair value measurement
TFRIC 14 (revised 2014)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 20 (revised 2014)	Stripping costs in the production phase of a surface mine

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

TAS 16 (revised 2014) indicates that spare part, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory. The Group is yet to assess the full impact of the amendments.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. The Group is yet to assess the full impact of the amendments.

TAS 27 (revised 2014) provide the requirements relating to separate financial statements.

TAS 28 (revised 2014) provide the requirements for investment in associates and joint ventures accounted by equity method.

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. The Group is yet to assess the full impact of the amendments.

TFRS 11 defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting. This standard has no impact to the Group.

TFRS 12 require entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This standard has no impact to the Group.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the Group.

TFRIC 14 (Revised 2014), this interpretation applies to all post-employment defined benefits and other long-term employee benefits. For the purpose of this interpretation, minimum funding requirements are any requirements to fund a post-employment or other long-term benefit plan. This interpretation explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.

TFRIC 20 (Revised 2014), this interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. This standard has no impact to the Group.

b) Financial reporting standards with minor changes and do not have impact to the Group are as follows:

TAS 2 (revised 2014)	Inventories	TFRS 6 (revised 2014)	Exploration for and evaluation of mineral resources
TAS 7 (revised 2014)	Statement of cash flows	TFRS 8 (revised 2014)	Operating segments
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors	TSIC 10 (revised 2014)	Government assistance - No specific relation to operating activities
TAS 10 (revised 2014)	Events after the reporting period	TSIC 15 (revised 2014)	Operating leases - Incentives
TAS 11 (revised 2014)	Construction contracts	TSIC 25 (revised 2014)	Income taxes - changes in the tax status of an entity or its shareholders
TAS 12 (revised 2014)	Income taxes	TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TAS 17 (revised 2014)	Leases	TSIC 29 (revised 2014)	Service concession arrangements: Disclosures
TAS 18 (revised 2014)	Revenue	TSIC 31 (revised 2014)	Revenue - barter transactions involving advertising services
TAS 20 (revised 2014)	Accounting for government grants & disclosure of government assistance	TSIC 32 (revised 2014)	Intangible assets - Web site costs
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates	TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TAS 23 (revised 2014)	Borrowing costs	TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TAS 24 (revised 2014)	Related party disclosures	TFRIC 5 (revised 2014)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans	TFRIC 7 (revised 2014)	Applying the restatement approach under IAS29 Financial reporting in hyperinflationary economies
TAS 29 (revised 2014)	Financial reporting in hyperinflationary economies	TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TAS 33 (revised 2014)	Earnings per share	TFRIC 12 (revised 2014)	Service concession arrangements
TAS 36 (revised 2014)	Impairment of assets	TFRIC 13 (revised 2014)	Customer loyalty programmes
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets	TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TAS 38 (revised 2014)	Intangible assets	TFRIC 17 (revised 2014)	Distributions of non-cash assets to owners
TAS 40 (revised 2014)	Investment property	TFRIC 18 (revised 2014)	Transfers of assets from customers
TFRS 2 (revised 2014)	Share-based payment		
TFRS 3 (revised 2014)	Business combinations		
TFRS 5 (revised 2014)	Non-current asset held for sale and discontinued operations		

3) New financial reporting standard which is effective on 1 January 2016

TFRS 4 (revised 2014)	Insurance contracts
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TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

2.3 Investment in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition- by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Baht, which is the company's functional and the group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2.5 Cash and cash equivalents

In the consolidated and Company statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. In the consolidated and Company statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.6 Trade and farmer receivables

Trade receivables are recognised initially at the original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the statements of comprehensive income.

Farmer receivables are stated at the net realisable value. The Group has policy to set up allowance for doubtful accounts based on period of overdue balance, payment histories and future expectations of customer payments. Allowance for doubtful accounts is provided in full amount (after deducting appraisal value of collateral). Bad debts are written off when incurred.

2.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost of merchandise inventories is determined by first-in, first-out method and cost of finished goods and factory supplies are determined by weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.8 Investments

Investments other than investments in subsidiaries, associates and interests in joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available for sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of trading investments are recognised in income statement. The unrealised gains and losses of available for sale investments are recognised in equity.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the income statement.

General investments are carried at cost less impairment loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.9 Property, plant and equipment

The Group accounting policy with respect to property, plant, equipment, and depreciation is as follows:

Property, plant and equipment are recorded at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset and bringing it to the location and condition necessary for its intended use. Property, plant and equipment, except land, are presented in the balance sheet at cost less accumulated depreciation and impairments (if any).

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are as follows:

Building and buildings improvement	20 - 30 years
Machinery and tools	10 - 30 years
Agriculture equipment and tools	5 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 - 10 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the statements of income.

Interest costs on borrowings to finance the construction of property, plant and equipment or the production of a qualifying asset are capitalised as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use. The borrowing costs include:

- interest on long-term borrowings, and related taxes
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings

Any other borrowing costs will be recognised as expenses in the income statement.

2.10 Intangible assets

Licences

Licences are shown at historical cost. Licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of licences over their estimated useful lives of 10 years.

2.11 Leases - where a Group is the lessee

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

2.12 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.13 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.14 Employee benefits

The Group has post-employment benefits consisting of both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age of employee, years of service and compensation.

Defined benefit plan – retirement benefits

The Group provides for post employment benefits, payable to employees under the labour laws applicable in Thailand. The liability in respect of employee benefits is the present value of the defined benefit obligation which is calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using yields on government bonds which have terms to maturity approximating the terms of the related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other factors. Actuarial gains or losses will be recognised as other comprehensive income in the period to which they relate. The costs associated with providing these benefits are charged to the statement of comprehensive income so as to spread the cost over the employment period during which the entitlement to benefits is earned.

2.15 Provisions

Provisions excluding employee benefits are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.16 Revenue recognition

Revenue comprises the invoice value for the sale of goods and service net of output tax, rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is recognised when services are rendered.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.

2.17 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

2.18 Segment reporting

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Segments by nature of business provide products or services within a particular economic environment that are subject to risks and returns that are different from those of components operating in other economic environments.

Segment information is presented by nature of business of the Group's operations.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including, fair value interest rate risk, cash flow interest rate risk and price risk) and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1.1 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Entities in the Group use forward contracts, transacted with the Group Treasury, to hedge their exposure to foreign currency risk in connection with measurement currency. The Group Treasury is responsible for hedging the net position in each currency by using currency borrowings and external forward currency contracts.

3.1.2 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Finance Director before execution. The Group has no significant interest-bearing assets. The Group is able to raise long-term borrowings at floating rates.

3.1.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

4. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Impairment of receivable

The Group maintains an allowance for doubtful accounts to reflect impairment of trade receivables relating to estimated losses resulting from the inability of customers to make required payments. The allowance for doubtful accounts is significantly impacted by The Group's assessment of future cash flows, such assessment being based on consideration of historical collection experience, known and identified instances of default and consideration of market trends

4.2 Property, plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for The Group's Property, plant and equipment and intangible assets. Management will revise the depreciation or amortisation charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

5. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

6. Operating segments

Reporting segment is referred from internal report of the Group which is reviewed by Chief Operating Decision Maker (CODM). CODM is Chief Executive Officer who makes decisions about resource allocation and assesses the segment performance.

Chief Operating Decision Maker considers the reporting segment as below:-

- Manufacturing and distribution of sugar and molasses
- Trading agricultural products
- Power plant for electricity generation and power for sale
- Other businesses

Chief Operating Decision Maker considers performance of reporting segments from profit from operating segments.

Unallocated costs mainly represent corporate expenses.

Operating segments of the Group are as follows:

Consolidated

For the year ended 31 December 2014 and 2013

Unit : Million Baht

	Sugar and Molasses business		agriculture products		Power plant		Trading Others		Total		Eliminated entries		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue from sales and services														
- Local	1,241	1,231	591	421	182	133	157	188	2,171	1,973	(380)	(182)	1,791	1,791
- Overseas	2,129	2,188	-	-	-	-	-	-	2,129	2,188	-	-	2,129	2,188
Total	3,370	3,419	591	421	182	133	157	188	4,300	4,161	(380)	(182)	3,920	3,979
Profit (loss) from operating segments	661	581	52	37	90	61	70	(28)	873	651	(43)	144	830	795
Administrative and selling expenses													(427)	(428)
Finance costs													(117)	(97)
Income tax expense													(50)	(65)
Net profit for the periods													236	205
As at 31 December 2014 and 2013														
Inventories	483	569	136	122	4	-	-	-	623	691	(13)	(25)	610	666
Property, plant and equipments	1,942	1,153	116	115	469	479	522	50	3,049	1,797	3	3	3,052	1,800
Other assets	5,485	3,211	364	594	613	72	51	3	6,513	3,880	(4,790)	(2,448)	1,723	1,432
Total assets	7,910	4,933	616	831	1,086	551	573	53	10,185	6,368	(4,800)	(2,470)	5,385	3,898

7. Cash and cash equivalents

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Cash on hand	416,494	384,250	70,000	69,500
Deposits held at call with banks	348,116,027	34,053,804	223,613,992	4,798,390
	348,532,521	34,438,054	223,683,992	4,867,890

As at 31 December 2014, the weighted average effective interest rate of deposits held at call with banks was 0.50% per annum (2013: 0.75% per annum).

8. Trade and other receivables – net

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
<u>Trade receivables – third parties</u>				
Current	40,025,449	70,516,512	4,716	-
Overdue:				
Up to 3 months	8,289,685	1,308,319	-	-
Over 3 months less than 12 months	449,368	-	26,390	
Over 12 months	8,889,873	8,250,423	8,250,423	8,250,423
	57,654,375	80,075,254	8,281,529	8,250,423
Less Allowance for doubtful accounts	(8,250,423)	(8,250,423)	(8,250,423)	(8,250,423)
Trade receivables – third parties, net	49,403,952	71,824,831	31,106	-
<u>Trade receivables – related parties</u>				
Current	10,293,402	7,519,205	28,734,529	-
Overdue:				
Up to 3 months	114,800,382	-	18,290,745	25,325,912
Over 3 months less than 12 months	419,751	-	1,335,360	5,715,940
Over 12 months	232,370	-	28,807,692	2,099,359
Trade receivables – related parties, net	125,745,905	7,519,205	77,168,326	33,141,211
<u>Other receivables</u>				
Advance payments	2,027,953	7,299,784	6,500	446,930
Prepaid expenses	113,674,882	6,712,892	11,131,834	52,693
Accrued interest income – related parties	-	-	25,807,312	12,836,626
Other receivables – third parties	12,020,877	56,082	-	-
Other receivables – related parties	-	-	8,505	-
Accrued dividend income	-	-	141,049,735	-
	127,723,712	14,068,758	178,003,886	13,336,249
Total trade and other receivables, net	302,873,569	93,412,794	255,203,318	46,477,460

9. Farmer receivables – net

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Farmer receivables	880,522,063	1,135,292,107	121,699,493	133,720,664
<u>Less</u> Allowance for doubtful accounts	(109,729,703)	(110,451,309)	(106,058,047)	(106,117,046)
	770,792,360	1,024,840,798	15,641,446	27,603,618

Outstanding farmer receivables can be analysed as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Season 2015/2016	44,460,648	-	-	-
Season 2014/2015	703,048,637	241,225,716	-	-
Season 2013/2014	6,868,096	739,519,677	-	-
Season 2012/2013	3,200,867	16,593,909	-	-
Season 2011/2012	1,244,322	4,232,141	-	-
Before season 2011/2012	121,699,493	133,720,664	121,699,493	133,720,664
	880,522,063	1,135,292,107	121,699,493	133,720,664
<u>Less</u> Allowance for doubtful account	(109,729,703)	(110,451,309)	(106,058,047)	(106,117,046)
	770,792,360	1,024,840,798	15,641,446	27,603,618

Outstanding farmer receivables - related parties cana be analysed as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Season 2015/2016	6,415,582	-	-	-
Season 2014/2015	13,032,400	3,546,388	-	-
Season 2013/2014	-	12,213,481	-	-
Season 2012/2013	-	-	-	-
Season 2011/2012	-	765,573	-	-
Before season 2011/2012	413,932	2,123,412	413,932	2,123,412
	19,861,914	18,648,854	413,932	2,123,412
<u>Less</u> Allowance for doubtful account	-	-	-	-
	19,861,914	18,648,854	413,932	2,123,412

10. Inventories – net

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Finished goods	460,402,429	581,151,339	-	-
Merchandise inventories	109,171,971	93,512,097	-	-
Work in process	10,849,811	5,850,996	-	-
Factory supplies	30,788,619	24,604,187	-	-
<u>Less</u> Allowance for decrease in value	(671,427)	(39,003,387)	-	-
	610,541,403	666,115,232	-	-

The cost of inventories recognised as expenses and included in 'cost of sales' amounting to Baht 2,881.54 million (2013 : Baht 3,215.22 million).

The Group reversed Baht 39.00 million of a previous inventory write-down. The Group has sold all the goods that were written-down at original cost. The amount reversed has been included in 'cost of sales' in the statement of comprehensive income.

Inventory with a value of Baht 0.67 million (2013 : Baht 39.00 million) is carried at net realisable value, this being lower than cost.

Inventory of Baht 57.35 million (2013 : Baht 16.45 million) has been pledged as a security for borrowings.

11. Other current assets

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Revenue Department receivables	44,816,032	3,243,427	1,196,267	-
Undued input VAT	22,814,964	23,991,580	15,747,947	19,706,570
Others	5,737,421	12,358,184	317,436	5,974,178
	73,368,417	39,593,191	17,261,650	25,680,748

12. Investment in subsidiaries

The movement of investment in subsidiaries for the year ended 31 December 2014 and 2013 is as follows:

	Company	
	2013 Baht	2014 Baht
Beginning balance - net	1,270,478,100	1,269,478,700
Acquisitions	-	999,400
Ending balance - net	1,270,478,100	1,270,478,100

Details of investment in subsidiaries as presented in the company financial statements are as follow:

Company's name	Cost method	
	2013 Baht	2014 Baht
<u>Direct subsidiaries</u>		
Buriram Sugar Factory Co., Ltd.	1,049,000,000	1,049,000,000
Buriram Sugarcane Research and Development Co., Ltd	70,879,400	70,879,400
Buriram Energy Co., Ltd.	135,599,300	135,599,300
Key brand Fertilizer Co., Ltd.	14,999,400	14,999,400
Total investments in subsidiaries	1,270,478,100	1,270,478,100
<u>Indirect subsidiaries</u>		
Buriram Power Co., Ltd.	169,999,400	2,499,850

The investments in subsidiaries as at 31 December 2014 and 2013 are as follows:

	2014		2013	
	Country of incorporation	% Ownership interest	Country of incorporation	% Ownership interest
<u>Direct subsidiaries</u>				
Buriram Sugar Factory Co., Ltd.	Thailand	99.90	Thailand	99.90
Buriram Sugarcane Research and Development Co., Ltd.	Thailand	99.99	Thailand	99.99
Buriram Energy Co., Ltd.	Thailand	99.99	Thailand	99.99
Key brand Fertilizer Co., Ltd.	Thailand	99.99	Thailand	99.99
<u>Indirect subsidiaries</u>				
Buriram Power Co., Ltd.	Thailand	99.99	Thailand	99.99

13. Property, plant and equipment – net

	Consolidated							
	Land and land improvement	Building and Building improvement	Machinery, equipment and tools	Agriculture equipment and tools	Furniture, fixtures and office equipment	Motor vehicles	Work in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<u>As at 31 December 2012</u>								
Cost	50,064,227	331,624,332	687,504,457	16,231,166	64,469,122	85,873,640	157,407,268	1,393,174,212
<u>Less</u> Accumulated depreciation	-	(18,861,930)	(163,758,364)	(2,227,018)	(25,627,988)	(55,635,552)	-	(266,110,852)
Net book amount	50,064,227	312,762,402	523,746,093	14,004,148	38,841,134	30,238,088	157,407,268	1,127,063,360
<u>For the year ended 31 December 2013</u>								
Net book amount	50,064,227	312,762,402	523,746,093	14,004,148	38,841,134	30,238,088	157,407,268	1,127,063,360
Additions	27,746,946	10,078,938	21,887,919	14,760,535	9,093,262	32,800,470	636,586,003	752,954,073
Transfer	512,139	54,981,167	362,475,131	1,888,753	1,653,643	-	(421,510,833)	-
Disposals, net	(8,516,560)	-	(1,113,842)	-	(3,884,145)	(1,118,307)	-	(14,632,854)
Reclassification	6,328,036	(6,328,036)	-	-	-	-	-	-
Depreciation charges	-	(14,932,224)	(33,111,435)	(4,968,949)	(6,306,883)	(5,759,181)	-	(65,078,672)
Closing net book amount	76,134,788	356,562,247	873,883,866	25,684,487	39,397,011	56,161,070	372,482,438	1,800,305,907
<u>As at 31 December 2013</u>								
Cost	76,134,788	390,356,401	1,070,753,665	32,880,454	58,396,464	109,023,998	372,482,438	2,110,028,208
<u>Less</u> Accumulated depreciation	-	(33,794,154)	(196,869,799)	(7,195,967)	(18,999,453)	(52,862,928)	-	(309,722,301)
Net book amount	76,134,788	356,562,247	873,883,866	25,684,487	39,397,011	56,161,070	372,482,438	1,800,305,907
<u>For the year ended 31 December 2014</u>								
Opening net book amount	76,134,788	356,562,247	873,883,866	25,684,487	39,397,011	56,161,070	372,482,438	1,800,305,907
Additions	22,024,714	1,901,493	11,310,467	8,297,216	12,305,044	5,274,515	1,291,330,438	1,352,443,887
Transfer in (out)	-	79,686,059	3,388,081	1,619,866	1,306,977	-	(86,000,983)	-
Disposals, net	-	(40,831)	(3,344,927)	(273,979)	(4,507,410)	(3)	-	(8,167,150)
Depreciation charges	-	(18,107,902)	(50,534,682)	(6,854,883)	(8,741,588)	(8,346,204)	-	(92,585,259)
Closing net book amount	98,159,502	420,001,066	834,702,805	28,472,707	39,760,034	53,089,378	1,577,811,893	3,051,997,385
<u>For the year ended 31 December 2014</u>								
Cost	98,159,502	467,240,061	1,078,990,842	41,589,316	61,202,103	111,498,513	1,577,811,893	3,436,492,230
<u>Less</u> Accumulated depreciationz	-	(47,238,995)	(244,288,037)	(13,116,609)	(21,442,069)	(58,409,135)	-	(384,494,845)
Net book amount	98,159,502	420,001,066	834,702,805	28,472,707	39,760,034	53,089,378	1,577,811,893	3,051,997,385

As at 31 December 2014, finance lease liabilities under property, plant and equipment at the net book value of Baht 51.28 million (2013 : Baht 54.40 million).

As at 31 December 2014, the Group has building and equipment which are fully depreciated but still utilised costing amount of Baht 35.80 million (2013 : Baht 50.58 million).

As at 31 December 2014, financial institution borrowings are secured on properties at the net book value of Baht 1,414.00 million (2013: Baht 1,527.00 million) (Note 16).

Borrowing costs of Baht 35.30 million, arising from financing specifically entered into for the construction of a new factory and machinery, were capitalised during the year and are included in 'Additions' with capitalisation rate of 4.50%- 7.25% (2013 : 4.90% - 6.86%).

	Company				
	Building and Building improvement Baht	Machinery, equipment and tools Baht	Furniture, fixtures and office equipment Baht	Motor vehicles Baht	Total Baht
<u>As at 31 December 2012</u>					
Cost	14,360,659	26,852,518	34,689,514	48,022,129	123,924,820
<u>Less</u> Accumulated depreciation	(7,333,309)	(14,149,224)	(20,564,447)	(39,673,594)	(81,720,574)
Net book amount	7,027,350	12,703,294	14,125,067	8,348,535	42,204,246
<u>For the year ended 31 December 2013</u>					
Opening net book amount	7,027,350	12,703,294	14,125,067	8,348,535	42,204,246
Additions	-	-	110,578	-	110,578
Disposals, net	-	(1,113,843)	(3,834,788)	(1,118,308)	(6,066,939)
Depreciation charges	(248,968)	(1,849,837)	(1,113,096)	(1,261,761)	(4,473,662)
Closing net book amount	6,778,382	9,739,614	9,287,761	5,968,466	31,774,223
<u>As at 31 December 2013</u>					
Cost	14,360,659	16,194,029	18,199,878	38,372,015	87,126,581
<u>Less</u> Accumulated depreciation	(7,582,277)	(6,454,415)	(8,912,117)	(32,403,549)	(55,352,358)
Net book amount	6,778,382	9,739,614	9,287,761	5,968,466	31,774,223
<u>For the year ended 31 December 2014</u>					
Opening net book amount	6,778,382	9,739,614	9,287,761	5,968,466	31,774,223
Additions	343,915	-	764,491	-	1,108,406
Disposals, net	-	(3,344,927)	(4,235,191)	(2)	(7,580,120)
Depreciation charges	(250,694)	(992,405)	(859,470)	(961,157)	(3,063,726)
Closing net book amount	6,871,603	5,402,282	4,957,591	5,007,307	22,238,783
<u>As at 31 December 2014</u>					
Cost	14,704,574	9,732,658	8,636,860	35,822,015	68,896,107
<u>Less</u> Accumulated depreciation	(7,832,971)	(4,330,376)	(3,679,269)	(30,814,708)	(46,657,324)
Net book amount	6,871,603	5,402,282	4,957,591	5,007,307	22,238,783

As at 31 December 2014, finance lease liabilities under property, plant and equipment at the net book value of Baht 4.08 million (2013 : Baht 4.73 million).

As at 31 December 2014, the Company has building and equipment which are fully depreciated but still utilised costing amount of Baht 23.32 million (2013 : Baht 37.17 million).

14. Deferred tax assets – net

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
<u>Deferred tax assets:</u>				
Deferred tax assets to be recovered				
within 12 months	134,285	23,500,910	-	-
Deferred tax assets to be recovered				
more than 12 months	224,737,721	224,473,127	12,145,179	13,963,895
	224,872,006	247,974,037	12,145,179	13,963,895
<u>Deferred tax liabilities:</u>				
Deferred tax liabilities to be settled				
within 12 months	-	-	-	-
Deferred tax liabilities to be settled				
more than 12 months	(13,489,405)	(13,489,405)	-	-
	(13,489,405)	(13,489,405)	-	-
Deferred tax assets – net	211,382,601	234,484,632	12,145,179	13,963,895

The gross movement in deferred income tax account is as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
At 1 January	234,484,632	246,416,304	13,963,895	7,885,644
Charged/(credited) to profit or loss	(21,825,492)	(13,789,970)	(1,205,527)	5,587,700
Charged/(credited) to comprehensive income	(1,276,539)	1,858,298	(613,189)	490,551
At 31 December	211,382,601	234,484,632	12,145,179	13,963,895

The movement in deferred tax assets and liabilities during the year is as follows:

	Consolidated					
	Depreciation Baht	Provision for employee benefits Baht	Allowance for doubtful Baht	Allowance For decrease in value Baht	Loss carried for ward Baht	Total Baht
Deferred tax assets						
At 1 January 2014	219,621,069	6,542,114	12,173,932	7,800,677	1,836,245	247,974,037
Charged/(credited) to profit or loss	(16,481,066)	901,835	(1,644,142)	(7,666,392)	3,064,273	(21,825,492)
Credited to comprehensive income	-	(1,276,539)	-	-	-	(1,276,539)
At 31 December 2014	203,140,003	6,167,410	10,529,790	134,285	4,900,518	224,872,006
At 1 January 2013	233,485,057	4,149,847	5,989,743	486,583	2,305,074	246,416,304
Charged/(credited) to profit or loss	(13,863,988)	533,969	6,184,189	7,314,094	(468,829)	(300,565)
Charged to comprehensive income	-	1,858,298	-	-	-	1,858,298
At 31 December 2013	219,621,069	6,542,114	12,173,932	7,800,677	1,836,245	247,974,037

	Consolidated Accelerated tax depreciation Baht
<u>Deferred tax liabilities</u>	
At 1 January 2014	13,489,405
Charged to profit or loss	-
At 31 December 2014	13,489,405

	Company			
	Provision for employee benefits Baht	Allowance for doubtful Baht	Allowance for decrease in value Baht	Total Baht
<u>Deferred tax assets</u>				
At 1 January 2014	2,656,815	11,307,080	-	13,963,895
Charged/(credited) to profit or loss	306,093	(1,511,620)	-	(1,205,527)
Credited to comprehensive income	(613,189)	-	-	(613,189)
At 31 December 2014	2,349,719	9,795,460	-	12,145,179
At 1 January 2013	1,595,757	5,989,743	300,144	7,885,644
Charged/(credited) to profit or loss	570,507	5,317,337	(300,144)	5,587,700
Charged to comprehensive income	490,551	-	-	490,551
At 31 December 2013	2,656,815	11,307,080	-	13,963,895

15. Trade and other payables

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Trade payables - third parties	277,566,601	602,211,544	1,304,009	2,391,276
Trade payables - related parties	4,770,117	14,833,838	240,081,581	242,160,251
Accrued interest expense - related parties	-	-	-	1,413,351
Accrued expenses - third parties	27,376,513	20,948,425	1,216,911	1,969,821
Accrued expenses - related parties	9,659,590	-	-	-
Advance received	144,545,281	127,394,836	-	30,000
Other payables - third parties	22,563,216	77,212,966	-	153,618
Other payables - related parties	2,178,477	-	731,826	-
	488,659,795	842,601,609	243,334,327	248,118,317

16. Borrowings

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
<u>Current</u>				
Bank overdrafts	34,435,771	43,645,574	-	-
Short-term borrowings:				
- Financial institutions	2,174,930,649	1,471,361,222	1,270,000,000	400,000,000
Current portion of long-term borrowings:				
- Financial institutions	159,878,070	85,116,470	-	-
- Finance lease	10,150,845	14,874,495	10,656	1,179,778
Total current borrowings	2,379,395,335	1,614,997,761	1,270,010,656	401,179,778
<u>Non-Current portion</u>				
Long-term borrowings:				
- Financial institutions	452,901,495	691,907,648	-	-
Finance lease liabilities	9,673,567	15,486,033	-	10,656
Total non-current portion of long-term borrowings	462,575,062	707,393,681	-	10,656
Total borrowings	2,841,970,397	2,322,391,442	1,270,010,656	401,190,434

As at 31 December 2014, the Group has pledged inventories at net realisable value amounting to Baht 57.35 million (2013: Baht 16.45 million) to secure short-term borrowings from financial institutions.

As at 31 December 2014, the Group has pledged properties at net book value amounting to Baht 1,215.00 million (2013: Baht 1,527.00 million) to secure bank overdrafts and long-term borrowings from financial institutions. (Note 13)

Interest rates for bank overdrafts and short-term borrowings of the Company and Group were 5.25% and 4.50% - 7.88% respectively (2013 : 5.75% and 4.65% - 7.88%).

The movement of long term borrowings (excluded finance lease liabilities) for the year ended is as following:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Opening balance	777,024,118	893,992,548	-	2,862,548
Additions	-	65,820,000	-	-
Repayment	(164,244,553)	(182,788,430)	-	(2,862,548)
Closing balance	612,779,565	777,024,118	-	-

The weighted average effective interest rates at the statements of financial position date were as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Long-term borrowings from financial institutions	6.77	6.47	-	5.75

Maturity of long-term borrowings (excluded finance leases liabilities) were as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Within 1 year	159,878,070	85,116,470	-	-
Between 2 years and 5 years	452,901,495	691,907,648	-	-
	612,779,565	777,024,118	-	-

The present value of finance lease liabilities as at 31 December 2014 and 2013 is as follows:

	Consolidated and Company 2014		
	Within 1 year Baht	2 - 5 years Baht	Total Baht
Finance lease liabilities-minimum lease payments	11,080,831	10,135,487	21,216,318
Less future finance charges on finance lease	(929,986)	(461,920)	(1,391,906)
Present value of finance lease liabilities	10,150,845	9,673,567	19,824,412

	Consolidated and Company 2013		
	Within 1 year Baht	2 - 5 years Baht	Total Baht
Finance lease liabilities-minimum lease payments	16,432,268	16,467,390	32,899,658
Less future finance charges on finance lease	(1,557,773)	(981,357)	(2,539,130)
Present value of finance lease liabilities	14,874,495	15,486,033	30,360,528

17. Other current liabilities

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Undued Output VAT	22,589,247	23,329,240	5,048,395	2,030,775
Revenue Department payables	668,255	5,614,294	-	1,620,009
Withholding tax payables	6,023,400	4,292,548	1,645,673	914,137
Others	2,208,225	1,643,168	-	-
	31,489,127	34,879,250	6,694,068	4,564,921

18. Employee benefit obligation

The movement in the defined benefit obligations over the period is as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Beginning balance	32,710,569	20,749,232	13,284,077	7,978,783
Current service costs	3,292,315	2,007,805	981,862	711,135
Interest costs	1,380,200	662,042	548,604	289,007
Benefit paid	(163,350)	-	-	-
Actuarial (gain) loss on the defined employee benefit plans	(6,382,692)	9,291,490	(3,065,944)	4,305,152
Ending balance	30,837,042	32,710,569	11,748,599	13,284,077

The amounts recognised in the statement of comprehensive income (included in staff costs) are as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Current service costs	3,292,315	2,007,805	981,864	711,135
Interest costs	1,380,200	662,042	548,604	289,007
Total	4,672,515	2,669,847	1,530,468	1,000,142

The amounts recognised in other comprehensive income (expense) are as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Actuarial (gain) loss on the defined employee benefit plans	(6,382,692)	9,291,490	(3,065,944)	4,305,152

Accumulated amounts of actuarial loss, which have been recognised in the other comprehensive income of the consolidated and the Company financial statements, up to 31 December 2014 were Baht 8.87 million and Baht 6.34 million, respectively (2013 : Baht 15.25 million and Baht 9.41 million, respectively).

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Discount rate	4.28%	3.82%	4.28%	3.82
Future salary increases	5%	5%	5%	5%
Mortality rate	100% of TMO 2008	100% of TMO 2008	100% of TMO 2008	100% of TMO 2008
Resignation rate	0 - 14%	1%	0 - 14%	1%

19. Share capital

	Issued and fully paid-up			
	Authorised number of shares	Number of ordinary shares	Ordinary share Baht	Premium on share capital Baht
As at 1 January 2012	200,000,000	200,000,000	200,000,000	-
Issue of shares	120,000,000	120,000,000	120,000,000	-
As at 31 December 2012	320,000,000	320,000,000	320,000,000	-
Issue of shares	356,750,000	187,567,500	187,567,500	11,504,750
As at 31 December 2013	676,750,000	507,567,500	507,567,500	11,504,750
Issue of shares	-	169,182,500	169,182,500	943,161,063
As at 31 December 2014	676,750,000	676,750,000	676,750,000	954,665,813

Initial Public Offering

In October 2014, the Company offered its common shares to the initial public offering by issuing 169,182,500 common shares. The new shares were sold to the subscribers at price of Baht 6.80 per share (Baht 1 paid in capital and Baht 5.80 share premium) totalling Baht 1,150.44 million. The Company registered the increase in paid-up share capital with the Ministry of Commerce on 3 November 2014 and the shares of the Company begin trading in the Stock Exchange of Thailand on 6 November 2014. Directly attributable expenses of the initial public offering amounted to Baht 38.10 million were deducted from the premium on share capital received from new investors.

As at 31 December 2014, the total number of authorised ordinary shares is 676,750,000 shares (2013 : 676,750,000 shares) with a par value of Baht 1 per share (2013 : Baht 1 per share). The issued and fully paid-up ordinary shares is 676,750,000 shares.

At the Extraordinary Shareholders' Meeting no. 2/2013 held on 2 August 2013, the shareholders passed a resolution to change in the par value of the ordinary shares from Baht 1,000 each to Baht 1 each, as a result, the company's registered and paid-up share capital increase from 320,000 ordinary shares to 320,000,000 ordinary shares and to increase in the registered capital from 320,000,000 ordinary shares to 676,750,000 ordinary shares at a par value of Baht 1 per share. The Company registered the increased share capital with the Ministry of Commerce on 9 August 2013.

20. Dividends

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

21. Other income

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

22. Other income

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Services income	1,135,028	5,275,630	109,269,814	93,100,000
Bad debt recovery	727,660	916,375	727,660	914,640
Gain on sale of asset	495,325	250,000	495,325	200,000
Interest income	3,850,748	4,142,107	70,065,260	14,526,175
Dividend income	153,510	-	141,049,735	-
Others	17,558,527	19,348,917	2,788,646	4,297,536
	23,920,798	29,933,029	324,396,440	113,038,351

23. Expenses by nature

The following expenditure items, classified by nature, have been charged in arriving at the operating profit:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Raw materials and supplies used	2,205,271,526	2,275,734,786	392,550	56,129
Depreciation and amortisation	93,128,031	126,968,938	3,540,819	4,471,659
Repair and maintenance expense	78,760,042	143,974,699	879,476	296,246
Transportation expenses	110,627,636	125,443,943	-	-
Staff costs	306,710,426	304,616,784	76,010,378	64,316,617
Fees paid to the Office of the Cane and Sugar Fund	300,694,300	287,124,831	-	193,500

24. Income tax

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Current tax:				
Current tax on profits for the year	28,328,244	51,073,695	2,656,791	2,233,401
Total current tax	28,328,244	51,073,695	2,656,791	2,233,401
Deferred tax:				
Origination and reversal of temporary differences	21,825,492	13,789,170	1,205,527	(5,587,700)
Total deferred tax	21,825,492	13,789,170	1,205,527	(5,587,700)
Total tax expense	50,153,736	64,862,865	3,862,318	(3,354,299)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Profit before tax	286,463,017	270,425,897	151,777,219	219,436
Tax calculated at a tax rate of 20% (2013: 20%)	57,292,603	54,085,179	30,355,444	43,887
Tax effect of:				
Income not subject to tax	(11,613,397)	(5,807,417)	(27,293,043)	(8,875,594)
Expenses not deductible for tax purpose	4,474,530	16,585,103	799,917	5,477,408
Total tax expense	50,153,736	64,862,865	3,862,318	(3,354,299)

The weighted average applicable tax rate was 17.51 % (2013: 23.99%).

25. Basic earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Net profit (loss) attributable to shareholders (Baht)	235,967,740	196,271,542	147,914,901	(713,417)
Weighted average of issued ordinary shares during the year (Shares)	534,914,808	398,110,301	534,914,808	398,110,301
Basic earnings (loss) per share (Baht)	0.44	0.49	0.28	(0.00)

There are no dilutive potential ordinary shares in issue during the year presented.

26. Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is controlled by Buriram Capital Co., Ltd., which owns 50% of the Company's issued shares.

The following transactions were carried out with related parties:

a) Business transactions with related parties

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
<u>Related parties : Subsidiaries</u>				
(Eliminated from Consolidated financial statements)				
Dividend income	-	-	141,049,735	-
Interest income	-	-	68,575,030	13,107,372
Other income	-	-	109,100,000	93,100,000
Cost of sales and services	-	-	-	1,212,183
Administrative expenses	-	-	1,257,050	1,413,351
<u>Other related parties</u>				
Revenues from sales and services	2,135,044,696	2,194,717,207	-	-
Other income	200,000	120,000	120,000	163,780
Cost of sales and services	16,545,248	23,730,211	-	-
Selling expenses	99,059,213	67,745,396	-	-
Administrative expenses	175,480	175,480	-	-

During the year 2014, subsidiaries have purchased land from directors amounting to Baht 14.03 million. The payments have been made and assets have already transferred.

b) Outstanding balances arising from sales/purchases of goods/services

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Trade accounts receivables - related parties:				
Subsidiaries	-	-	77,168,326	33,141,211
Other related parties	125,745,905	7,519,205	-	-
	125,745,905	7,519,205	77,168,326	33,141,211
Farmer receivables - related parties				
Other related parties	19,861,914	18,648,854	413,932	2,123,412
Other receivables - related parties				
Subsidiaries	-	-	166,865,552	12,836,626
Trade accounts payables - related parties:				
Subsidiaries	-	-	240,081,580	242,160,251
Other related parties	4,770,117	14,833,838	-	-
	4,770,117	14,833,838	240,081,580	242,160,251
Other payables - related parties:				
Subsidiaries	-	-	84,700	1,413,351
Other related parties	11,838,067	999,400	647,126	999,400
	11,838,067	999,400	731,826	2,412,751

c) Borrowings to related parties

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Long-term borrowings to related parties	-	-	2,183,190,318	451,409,325

As at 31 December 2014, interest rates for long-term borrowings to related parties were 6.75% - 6.88% per annum (2013 : 6.75% - 7.00% per annum).

d) Directors' and management's remuneration

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Short-term benefits	47,685,998	43,556,542	22,231,875	24,164,725
Post-retirement benefits	723,120	9,610,649	252,783	7,257,468
	48,409,118	53,167,191	22,484,658	31,422,193

Director's and management's remuneration represents salaries, meeting fees and other benefits.

e) Forward contract

The Group has entered into forward contract via Kahphol Co., Ltd. which is a related party, contract value amounting to USD 28.50 million (2013 : USD 28.00 million).

27. Financial instruments

The Company possess risks regarding to the rates of the related goods' price changing and from non-performance of contractual obligations by counter parties. The Company will consider to using appropriate financial instruments when it considers necessary to manage such risks. However, the Company does not have any policy to hold or issue any financial instruments for speculation or for trading, except the following:

a) Risk on fluctuation of sugar prices

The cane and sugar industry in Thailand is under the benefit sharing system between the cane farmers and the sugar mill factories, the selling price of sugar under Quota B and the exchange rate of the actual sales made by Thailand Cane and Sugar Corporation (TCSC) have significant effect on cane price which is major cost of sugar production.

b) Credit risk

The Company has risk on credit regarding trade receivables, farmer receivable, loans to farmers, loans to related parties and other receivables. However, the Company has many receivables and has conservative credit policy including allowance for doubtful accounts. It believes that the risk of default by receivables is low.

c) Fair values of financial instruments

Since the majority of the financial instruments of the Company and its subsidiaries are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

28. Promotion privileges

By virtue of provisions of the Industrial Investment Promotion act of B.E 2520, the subsidiaries were granted privileges by the Board of Investment which included exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operation. The details of each privilege are as follows:

Certificate	Privilege section	Date	Nature of privilege business	First derived income date	Expiry date
2003(1)/2554	25, 26, 28, 31, 34, 35	17 August 2011	Generating electricity from biomass type 7.1	11 May 2012	11 May 2020
1006(1)/2558	25, 26, 28, 31, 34, 35	5 January 2015	Generating electricity from biomass type 7.1	-	-

In addition, BOI certificate No.2003(1)/2554 and 1006(1)/2558 the subsidiaries receive a fifty percent reduction in the normal income tax rate on the net profit derived from promoted business for a period of five years, as from the expiry date in the table above.A

29. Commitments

Capital commitments

Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements is as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Property, plant and equipment	3,897,000	433,740,540	-	-
	3,897,000	433,740,540	-	-

Bank guarantees

As at 31 December 2014, the Group has letters of with Provincial Electricity Authority amounting to Baht 3.6 million (2013: Baht 3.60 million) which are related to normal business of the Group.

Sales commitments

As at 31 December 2014, the Group has commitments related to the sales agreements but not yet delivered amounting to Baht 96.00 million (31 December 2013: Bath 1,747.00 million).

Electricity sale/purchase commitment

The subsidiary company has entered into electricity sale/purchase agreement with the Electricity Generating Authority of Thailand (EGAT) with a term of 5 years, and extending for further 5 years from 11 May 2012. Under the terms of the electricity trading agreements, the subsidiary and EGAT must comply with specified conditions.

30. Subsequent events

A registration of a subsidiary

On 23 January 2015, Buriram Power Plus Company Limited registered with the Ministry of Commerce. Authorised share capital is Baht 10,000,000 divided into 100,000 shares at a par value of Baht 100 per share. The Company is controlled by Buriram Energy Company Limited, a subsidiary, which owns 99.99% of the Company's issued shares.

Overview of Operation Performance

Comprehensive income of the Company in 2013 and 2014 are THB 196.27 million and THB 241.48 million respectively. 2014 comprehensive income increased by THB 45.21 million or 23.03% thanks to growing sale quantity of sugar and electricity. Meanwhile, the gross profit has increased from 19.24% to 21.18%.

Consecutively, total assets on December 31, 2013 and 2014 are THB 3,897.89 million and THB 5,385.67 million. The upturn of asset totaled THB 1,487.78 million is as a result of the increase of account receivable during the end of the year, investment in properties, plants, and equipments to expand production capacity, and investment in byproduct development, for example, bagasse-based electricity generation, and organic fertilizer production from filter cake.

Total liabilities on December 31, 2013 and 2014 are THB 3,263.21 million and THB 3,397.26 million sequentially. The rise of liability equaled THB 134.05 million is mostly by cause of increased short-term loan from a financial institute to spend on seasonal sugarcane that ascended corresponding to production capacity.

Total shareholders' equity on December 31, 2013 and 2014 are THB 634.67 million and THB 1,988.40 million consecutively. The increase of shareholders' equity totaled THB 1,353.73 million is as a result of the better operation performance which results in the income amounted THB 241.48 million and increase of registered capital equaled THB 1,112.25 million in 2014 that cause D/E ratio decrease from 5.14 to 1.70.

Transaction	Audited statement for year ended			
	December 31, 2013		December 31, 2014	
	Million Baht	%	Million Baht	%
Revenue from sales and services				
Brown sugar	886.64	22.12	908.37	23.17
Raw sugar	2,188.11	53.42	2,129.35	54.31
Total revenue from sugar sales	3,074.75	75.54	3,037.72	77.48
Molasses	293.59	7.32	290.32	7.40
Total revenue from sugar and molasses sales	3,368.34	82.66	3,328.04	84.88
Revenue from electricity sales	132.62	3.31	182.53	4.66
Revenue from fertilizer sales	275.13	6.86	285.04	7.27
Revenue from other sales	202.78	6.22	100.79	2.57
Total revenue from byproduct sales	610.53	16.39	568.36	14.50
Total revenue from sales and services	3,978.87	99.25	3,896.40	99.38
2. Other revenue	29.93	0.75	23.92	0.62
<u>Total revenue</u>	4,008.80	100	3,920.32	100

Consecutively, revenues from sales and service on December 31, 2013 and 2014 are THB 4,008.80 million and THB 3,920.32 million, decreasing by THB 88.48 million or 2.20% since export sugar valued THB 90 million is planned to ship in the beginning of January 2015. Nevertheless, the Company had more revenue from electricity and fertilizer sales amounted 59.82% or accounted for 14.67% thanks to electricity sales contract with the Provincial Electricity Authority.

1.1 Revenue from sugar and molasses sales

Revenue from sugar and molasses sales are major revenues of the Company, accounted for 82-85% of total revenues as shown in the tables below.

Volume of sugar and molasses sales

	Audited statement for year ended		Change
	December 31, 2013 2013	December 31, 2014 2014	Increase/(Decrease)
Domestic brown sugar	46,511	48,265	1,753
Foreign raw sugar	142,826	152,947	10,121
Molasses	84,590	72,362	(12,228)

Price of sugar and molasses sales

	Audited statement for year ended		Change
	December 31, 2013 2013	December 31, 2014 2014	Increase/(Decrease)
Domestic brown sugar	19,063	18,820	(243)
Foreign raw sugar	15,623	13,922	(1,701)
Molasses	3,471	4,013	542

1.2 Revenue from byproduct business

1.2.1 Revenue from electricity sales

Revenues from electricity sales for fiscal years ended December 31, 2013 and 2014 are THB 132.62 million and THB 182.53 million respectively. The rise of the revenue totaled THB 49.91 million or 37.63% is due to the beginning of electricity generation primarily for sales which increase the Company's sales volume of electricity.

1.2.2 Revenue from fertilizer sales

For 2013 and 2014, the Company has revenues from fertilizer in an amount of THB 275.13 million and THB 285.04 million consecutively. The growth is due to an increasing number of participating farmers in the Company's project which results in further fertilizer sales.

1.3 Other revenues

Other revenues on December 31, 2013 and 2014 are THB 29.93 million and THB 23.92 million correspondingly which principally consist of profit from asset sales, regained bad debts, received interests, etc.

a) Revenue from sales and services

1. Sugar and molasses manufacturing and distribution business

	Audited statement for year ended					
	December 31, 2012		December 31, 2013		December 31, 2014	
	Million baht	(%)	Million baht	(%)	Million baht	(%)
Raw material (sugarcane) cost	1,914.32	76.35	2,166.78	75.3	1,714.64	72.39
Package cost	22.69	0.90	24.47	0.85	43.36	1.83
Direct labor cost	66.79	2.66	128.11	4.46	106.12	4.48
Production cost	236.49	9.43	289.08	10.06	227.37	9.60
Money for Office of the Cane and Sugar Fund	267.14	10.65	265.80	9.25	277.12	11.70
Total sugar and molasses manufacturing cost	2,507.43	100.00	2,874.24	100.00	2,368.61	100.00

Raw material costs for fiscal year 2013 and 2014 account for 75.30% and 72.39% consecutively, decreasing since the Company reduce a quantity of cane purchasing from distanced famers which help lessen transportation cost. Additionally, in 2014, the World Sugar Market price decreased, ergo sugarcane price per ton also drop.

2. Other byproduct businesses

Cost of other byproduct businesses primarily consist of cost from electricity generation and distribution, cost from fertilizer production and distribution, and other distribution costs.

Major costs of electricity generation and distribution are costs from bagasse and property and electricity generated equipment depreciation.

Costs of fertilizer production and distribution can be divided to 2 parts which are (1) Purchased chemical fertilizer and organic fertilizer to resale (2) Self-produced chemical organic fertilizer. The self-produced fertilizer costs involve filter cake (press mud), property and production equipment depreciation, and plant nutrition chemical to improve organic fertilizer quality.

Other distribution costs include agricultural material such as pesticide, sugarcane variety, and diesel fuel to support cane farmers.

b) Gross profit

The Company's total gross profit for fiscal years ended December 31, 2013 and 2014 are THB 765.82 million and THB 830.63 million sequentially which accounted for 19.24% and 21.19% consecutively. The increase is owing to better products.

c) Selling expenses

	Audited statement for year ended					
	December 31, 2012		December 31, 2013		December 31, 2014	
	Million baht	(%)	Million baht	(%)	Million baht	(%)
Transportation expenses	68.80	45.12	69.96	48.97	64.04	39.95
Export expenses	39.18	25.70	52.27	36.59	63.49	39.60
Sugar and molasses storage fees	6.37	4.18	11.18	7.82	17.43	10.89
Other expenses	38.12	25.00	9.44	6.62	15.33	9.56
Total	152.47	100.00	142.85	100.00	160.29	100.00

Most of the selling expenses are transportation expenses and export expenses. Factors that affect transportation expenses are transportation cost per round and an amount of sugar sales per year. For export expenses, the expenditures are corresponding with a quantity of sugar export which increase in 2014.

d) Administrative expenses

	Audited statement for year ended					
	December 31, 2012		December 31, 2013		December 31, 2014	
	Million baht	% of administrative expense	Million baht	% of administrative expense	Million baht	% of administrative expense
Salary, wages, and other employee benefits	69.88	35.42	101.61	35.59	131.08	43.60
Professional fees/ Advisory fees	16.71	8.47	6.41	2.24	14.89	4.95
Motor vehicle expenses	19.14	9.70	16.28	5.70	18.81	6.25
Maintenance expenses	9.07	4.60	5.34	1.87	8.51	2.83
Office supplies	3.49	1.77	4.35	1.52	4.41	1.46
Depreciation	9.78	4.96	13.36	4.68	16.96	5.64
Research and development expenses	7.04	3.57	7.73	2.71	5.69	1.89
Entertainment expenses and donations	7.97	4.04	5.71	2.00	4.81	1.60
Allowances for doubtful accounts	-	-	20.33	7.12	1.04	0.34
Reserves for superannuation	5.95	3.02	19.96	6.99	17.67	5.87
Cane and sugar promotion fees	-	-	20.88	7.31	10.74	3.57
Amortization	7.50	3.80	7.49	2.62	7.98	2.65
Electricity expenses			1.13	0.39	10.32	3.43
Other expenses	40.74	20.65	30.72	10.75	47.76	15.89
Total administrative expense	197.27	100.00	261.29	100.00	300.59	100.00

Other revenues on December 31, 2013 and 2014 are THB 29.93 million and THB 23.92 million correspondingly which principally The administrative expenses mainly consist of salary, wages, and other employee benefits and professional fees or advisory fees.

In 2014, the Company has the administrative expenses increase from last year by THB 39.30 million or 15.04%. The increasing expenses mainly due to following causes:

- 1) Salary, wages, and other employee benefits increase to THB 131.08 million or 29.99% due to annual salary base revision and expansion in employee number to match with future growth of the Company and its subsidiaries.
- 2) The professional fees and advisory fees to prepare for registration in the Stock Exchange of Thailand have increased by THB 8.48 million.
- 3) The Company set up less allowance for doubtful accounts in 2014. The reduction of an amount of accounts receivable for doubtful accounts is only THB 1.04 million, decreasing by THB 19.29 million or 94.88%.
- 4) Electricity expenses and other expenses increase totaled THB 11.52 million.



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Subsidiaries

Burlram Sugar Factory Co., Ltd. (BSF)

Burlram Sugarcane Research and Development Co., Ltd. (BRD)

Burlram Energy Co., Ltd. (BEC)

Burlram Power Co., Ltd. (BPC)

Key Brand Fertilizer Co., Ltd. (KBF)