



Annual Report 2016

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References and Contact Detail

Whistle blowing Channel

Attention to: The Chairman of Corporate Governance Committee or Internal Audit Office
Address: Buriram Sugar Public Company Limited
128/77-78, 7th floor Phayathai plaza building, Phayathai Road,
Thung Phayathai, Ratchathewi, Bangkok 10400
Telephone: 66-2216-5820-2
Fax: 66-2216-5823

Investor Relations Department

Address: Buriram Sugar Public Company Limited
128/77-78, 7th floor Phayathai plaza building, Phayathai Road,
Thung Phayathai, Ratchathewi, Bangkok 10400
Telephone: 66-2216-5820-2
Fax: 66-2216-5823
Email: IR@buriramsugar.com

Director Office/ Company Secretary

Address: Buriram Sugar Public Company Limited
128/77-78, 7th floor Phayathai plaza building, Phayathai Road,
Thung Phayathai, Ratchathewi, Bangkok 10400
Telephone: 66-2216-5820-2 ext. 124 or 125
Fax: 66-2216-5823
Email: companysecretary@buriramsugar.com

Auditor

Company: PricewaterhouseCoopers ABAS Ltd.
Address: 15th Floor, Bangkok City Tower 179/74-80
South Sathorn Road, Sathorn, Bangkok 10120
Telephone: 662-344-1000
Fax: 662-286-5050

Company Register

Company: Thailand Securities Depository Co., Ltd.
Address: The Stock Exchange of Thailand Building,
93 Ratchadaphisek Road, Dindaeng,
Bangkok 10400, Thailand
Telephone: 662-009-9000
Fax: 662-009-9991

"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."



Corporate Vision & Mission, Philosophy and Core Value

• Vision

Ensure raw materials security and better living conditions for cane growers and develop sugar, renewable energy and by-product businesses for sustainable growth and harmonized living between communities, society and nation with responsibility for all stakeholders.

• Mission

1. Excellence in management and quality control of sugarcane production, sugar product and all-by product with standard and maximum efficiency.
2. Encourage the sugarcane farmer in the area around the factory to have high productivity and good quality with the principle, care and responsibility for sugarcane farmers.
3. Develop the administration and management system continuously for the stability of the product and the profits of the sugarcane farmer and the businesses of Buriram Sugar Group.
4. Enhance innovation and research to increase organization and cane growers' efficiency and competitiveness.
5. Encourage and support staffs and cane growers to learn new knowledge for sustainable growth.
6. Focus on the industry and development of by-product businesses both renewable energy and the other area including increase the value of product for the growth of business sustainable.
7. Conduct business on the basis of good governance, fairness, transparency and ethics with responsibility for stakeholders, communities, society and environment, as well as, all forms of corruption prevention and resistance.



• Philosophy

"Sugar Made in the Field" is the philosophy that use in Buriram Sugar Group for more than decade which demonstrate a commitment to conducting business with sustainable growth. Buriram Sugar Group believes that the production of sugar in the best quality and highest quantity at lower cost will bring good turnover for the Group and also stability and prosperity for the sugarcane farmer by support and encourage the sugarcane farmer and staff with the knowledge and care starting from the process of cultivation, maintenance and harvest including the use of modern technology and innovation to manage the sugarcane. In addition, the Group will take care of the sugarcane farmer, surrounding community and environment as well as all stakeholders.

• Core Value

"TEAM" is the common values of people in the organization that focuses on the success of the team work.

T > Talk

Communicate with all parties both inside and outside the organization.

E > Expert & Education

Create the professional by learning and development continuously.

A > Achievement

Share the responsibility of team with honest.

M > Motivation

The consciousness of success.

2 Message from the Board of Directors



Mr. Prachuab Chaiyasan

Chairman of the Board of Director

Mr. Anant Tangtongwechakit

Chairman of the Executive Committee and Managing Director

The sugar industry encountered the fluctuation of global sugar market price in which the sugar price was decreased by 10 cents/pound in the period of August 2015. Although this event was passed by, it reflected the fundamental factors and the deficit of world sugar market balance, as the result of the drought situation in the major sugarcane producing countries. Nevertheless, the Company could deal with the risks from these situations and provide the well-management of the quality control and sufficiency of crop yield. In the 2015/2016 crop year, the Company increased the amount of cane crushing from 1.95 million tons to 2.06 million tons year over year, whereas, the average amount of cane crushing thorough the country decreased from 105 million tons to 94 million tons. In addition, the sugar yield per ton of the Company is ranked as the top of Thailand. These satisfactory consequences were from the well-planning and management as well as the using of technologies and innovations in the organization in every production process; from the first process which is the selection of sugarcane variety, planting, crop caring, crop harvesting and cane crushing process. All of the processes were collaborated by the Company and farmers closely.

Nevertheless, in the end of 2016, the global sugar market price was risen up which affected to raise the cane cost for the next crop year (2016/17) in which the cane crushing season had been started in the period of December 2016. Therefore, the cost of sale was recognized, rising by 84 million baht and the provision for asset impairment in case of molasses tank damaged was approximately 44 million baht which are the important factors effecting to the operating results of the Company, as the result, the net profit is approximately 113 million baht, declined by 159 million baht of the last crop year or equivalent to 58%, whereas, the Company has already sold the sugar produced in the 2016/17 crop year in advance which can be recognized the revenue increased in the first and second quarter of 2017. However, the case of molasses tank damaged is currently in the progress of consideration the compensation from the insurance company.

The Opportunities for Ongoing Business Growth and Development

The Company realizes the potentiality of the organization and seeks for the chances to expand and develop business continuously, therefore, the Company proposed to the shareholders' meeting to set up the Power Plant Infrastructure Fund ("the fund") by the selling the rights in the net income from the power plant businesses of the Company's subsidiaries for the period no longer than 19 years in order to raise approximately 3,600 million baht to be used in the expansion of power plant businesses, the refined sugar manufacturing plant and the other businesses as appropriate which was approved as proposed. However, the fund is currently in the consideration for approval process of Securities and Exchange Commission of Thailand (SEC).

The Knowledge Integration and Value-Added Products

According to the business expansion investment, the Company determined to integrate the knowledge to create the value-added products as the mission of the Company, therefore, the Company has do some researches in order to invest in the project of high quality refined sugar manufacturing plant in 2017. Nonetheless, regarding to the analysis of global sugar market situations, the demand of refined sugar in Asia remains high, especially in China, Taiwan and neighbor countries. In addition, the price of refined sugar is higher than raw sugar by approximately 70-90 USD per ton depending on the period of time and the demand of the market. Moreover, Thailand exports refined sugar, equivalent to 85% of total amount of white sugar in the country. As the result, the Company believes that the refined sugar shall generate more profit and create the excellent operating results. Moreover, this is the proper period to start this project since the amount of cane crushing was increased, rise up to approximately 3 million tons which is pursuant to the full production capacity of crushing units as 24,000 tons per day.

The Fundamental Development for Sustainable Growth

In addition to the business expansion investment and development, the Company emphasized the fundamental development in business operation for sustainable growth. This is the development and potential support of human resources in the organization as well as the farmers in the same time. In the previous year, the Company supported and conveyed the knowledge in many dimensions, particularly the biotechnology and research which are the main factors to produce the quality raw materials. Moreover, the Company organized the competition named “BRR INNOVATION AWARD 2016” in order to stimulate the creative minds of the staffs to develop and create the innovations for the organization. The staffs were very interested to participate in this competition and then submitted 32 projects in total. Furthermore, the Company was awarded the Innovative Organization Certificate by the National Innovation Agency and the Stock Exchange of Thailand on October 5, 2016.

Regarding to farmers skill development in order to strengthen their potentials and abilities as the comparative advantages in the agricultural competition, the Company provided the theoretical and practical knowledge supports such as the project of “Strong Farmer Group Leadership Development”, the purposes of this project are to develop the knowledge in sugarcane planting and support the farmers to help each other as the group. The domestic and international sightseeing were organized as well, for example, in July 2016, the Company took the group of farmers that produced more than 2,000 tons of sugarcanes to visit and study about the terrace irrigation system management in Vietnam.

The Commitment in Good Governance and Anti-Corruption

The commitment of sustainable organization development in accordance with good governance is the one of the important issues that the Company prioritizes and develops consecutively. In 2016, the Company committed to join the project of Thailand's Private Sector Collective Action against Corruption (CAC) therefore the Company set up the anti-corruption policies and also organized the training for employees to gain more understanding, self-awareness and appropriate practices concerning to this matter.

Mission to Create “Sugarcane Agriculturist Businessmen”

Buriram Sugar Group was established and developed the business in the local areas therefore we determine to return the benefits to the community through giving the well quality of life to people and farmers by creating the stability for the career of sugarcane farmers which provide the well returns and happiness to farmers and passing on experiences as well as inherit

the business from generation to generation. As the result, the “*Sugarcane Agriculturist Businessmen*” concept has initiated for the purpose of inspiring and educating every farmer to plan and manage the sugarcane farming and other relevant processes appropriately, from the plating process until the crop harvesting to cane crushing process, with the practical and theoretical knowledge support from the Company.

Finally, on behalf of the Board of Director, we would like to appreciate the Sugarcane Agriculturist Businessmen, shareholders, customers, partners, employees and all stakeholders who always give us the great supports and suggestions. The Company will operate the business according to the vision and mission in order to sustainably develop ongoing sugar and renewable energy business, together with the community, society and country constantly.



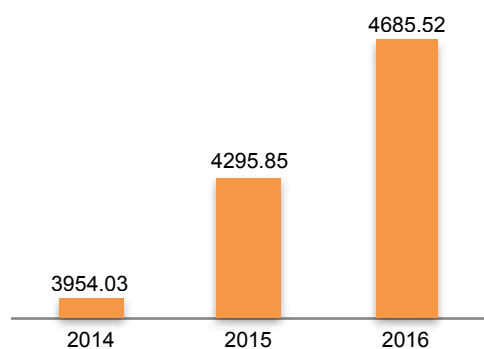
3 Financial Result and Operating Overview

Financial Statement	2012	2013	2014	2015	2016
P/L Statement Unit: Million Baht					
Revenue from Sales and Services	3,888.03	3,978.87	3,920.32	4,226.65	4,579.21
- Sugar	3,231.77	2,931.28	3,037.72	3,060.39	3,445.60
- Molasses	137.26	305.59	290.32	369.99	283.60
- Electricity	94.00	133.00	170.51	279.00	383.81
- Others	425.00	609.00	421.77	517.26	466.21
Other Revenues	43.49	29.93	33.71	69.20	106.31
Total Revenue	3,931.52	4,008.80	3,954.03	4,295.85	4,685.52
Net Profit	341.09	205.56	236.30	272.35	113.32
Consolidated Statement of Financial Position Unit: Million Baht					
Current Assets	1,680.13	1,858.40	1,913.14	1,997.05	2,096.05
Total Assets	3,056.32	3,897.89	5,385.54	6,764.48	7,226.85
Liabilities	2,615.10	3,263.21	3,397.14	4,638.30	5,134.08
Shareholders' Equity	441.22	634.68	1,988.40	2,126.18	2,092.77
Financial Ratio					
Current Ratio	0.95	0.74	0.66	0.85	0.51
Debt to Equity Ratio	5.93	5.14	1.71	2.18	2.45
Gross Profit Margin (%)	21.54	19.25	21.18	21.41	16.61
Net Profit Margin (%)	8.77	5.17	6.03	6.44	2.47
Return On Assets (%)	11.16	5.27	4.39	4.03	1.57
Return On Equity Ratio (%)	77.31	32.39	11.88	12.81	5.41
Earnings Per Share	1.13	0.49	0.44	0.40	0.17
Dividend Per Share	0.63	-	0.20	0.22	0.2222
Dividend Payout Ratio on Net Profit (%)	55.58	-	45.45	55.00	130.71

Operation Overview

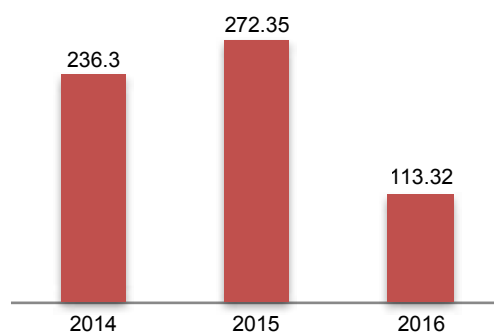
Revenue

Unit: Million Baht



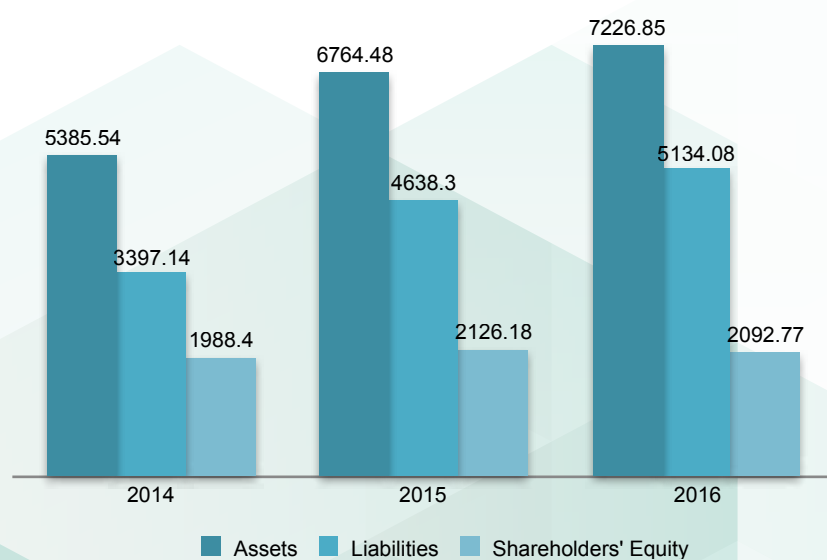
Net Profit

Unit: Million Baht

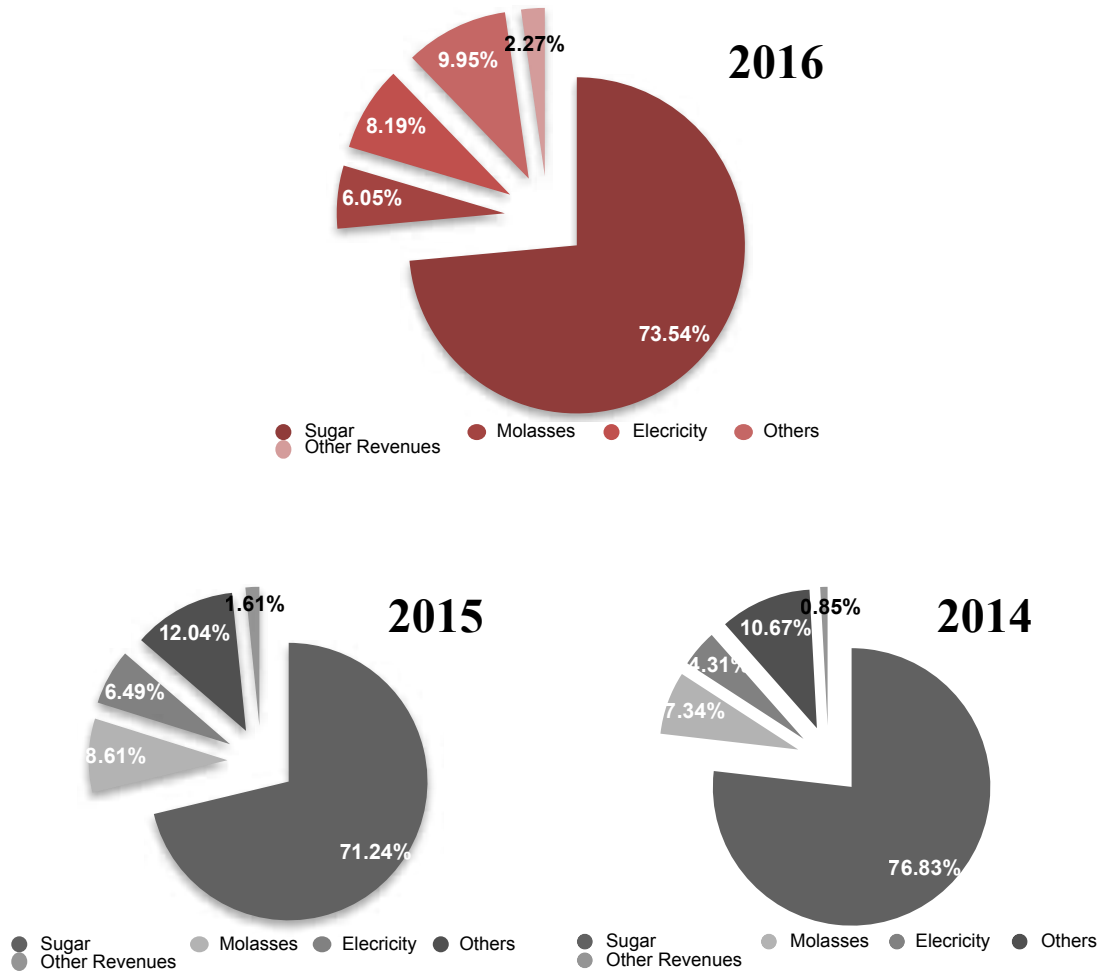


Assets

Unit: Million Baht

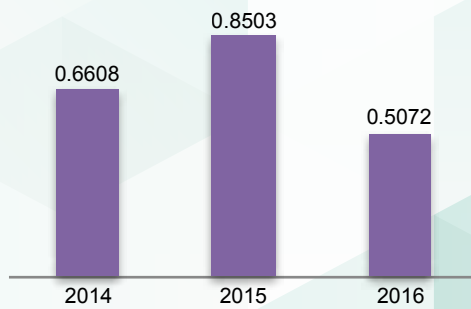


Revenue from Sales and Services



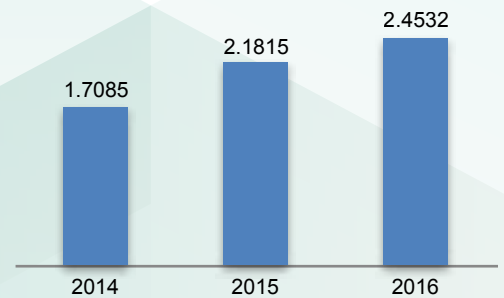
Current Ratio

Unit: Times



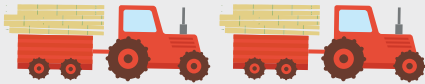
Debt to Equity Ratio

Unit: Times



2016 Business Highlights

Canes crush 2.06 Million Tons



Contract Farmer 11,587 Contracts



Sugarcane Plantation 189,382 Rai
(6.1 Rai = 1 Ha)



Crushing Unit 20,000 Tons/Day



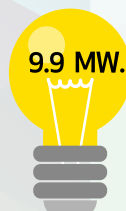
Commercial Cane Sugar (C.C.S.) 13.45%



Total Capacity of Power Plants 19.80 MW.



BEC



BPC

Power Purchase Agreement with PEA



BEC

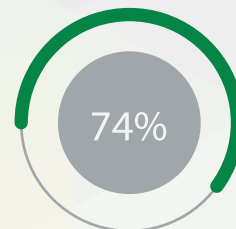


BPC

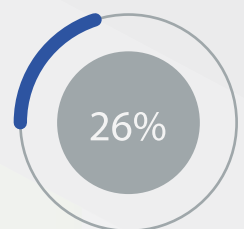
Sugar Selling Proportion

Sugar for Export 74%			Sugar for Domestic Sale 26%	
Asia 85%	Africa 5%	Others 10%	Retail Shops 99%	Modern Trade 1%

Sales by Sugar Types



Raw Sugar and VHP



Brown Sugar

Domestic Customers

- Distributor: Mostly from the Northeast and the South of Thailand
- Modern Trade

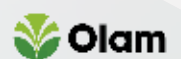


International Customers



ALVEAN

BUNGE



Sugar Brand: Double Keys Brand



Old Packaging



New Packaging
will be distributed in 2017

4

Director and Executive Information

Director Information



Name: Mr. Prachuab Chaiyasan

Position: Chairman of the Board of Director
(Independent Director) and Chairman of
the Audit Committee

Nationality: Thai

Age: 72

Appointment Date: 15 October 2012

Number of Share: 337,500 Shares (equivalent to 0.05%)
(As of December 16, 2016/ Including spouse's and underage child's)

Meeting Attendance Year 2016: 8/8

Family Relationships among Directors/ Executives/ Major Shareholders:
-None-

Forbidden Qualifications: Never dishonestly committed an offence
against property and never entered into any transaction which may
cause conflict of interest against the Company during the year

Education & Training Background:

- Bachelor of Political Science, Thammasat University
- Doctor of Philosophy, Honorary Degree in Political Science,
Ramkhamhaeng University
- Director Accreditation Program (DAP) Class 54/2006,
Thai Institute of Directors (IOD)
- Director Certification Program (DCP) Class 83/2007
Thai Institute of Directors (IOD)

Work Experience

Past 5 Years - Present

Position in the Company & Subsidiaries:

2012 - Present	Chairman of Board of Director (Independent Director), Chairman of Audit Committee	Buriram Sugar Public Company Limited
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Position in Listed Companies:

2006 - Present	Director, Chairman of Audit Committee	Thai Ethanol Power Public Company Limited
2003 - Present	Director, Chairman of Audit Committee	Thai Nguan Metal Public Company Limited

Position in Other Limited Companies/ Organizations:

2006 - Present	Director	Taiping Ethanol Co., Ltd.
2003 - Present	Chairman of Council Ramkhamhaeng University	Ramkhamhaeng University
2015 - Present	Director	Paksong Hiland Co., Ltd.
2016 - Present	Consultant	Thai Ethanol Manufacturing Association

**Position in Competition/ Related to Businesses of
the Company:** - None -



Name: Mrs. Seenual Tasanapant

Position: Independent Director,
Audit Committee Member, Chairman of
Nomination and Compensation Committee
and Chairman of Corporate Governance
Committee

Nationality: Thai

Age: 71

Appointment Date: 3 October 2014

Number of Share: - None -

(As of December 16, 2016/ Including spouse's and underage child's)

Meeting Attendance Year 2016: 8/8

Family Relationships among Directors/ Executives/ Major Shareholders:

-None-

Forbidden Qualifications: Never dishonestly committed an offence
against property and never entered into any transaction which may
cause conflict of interest against the Company during the year

Education & Training Background:

- Bachelor of Law, Thammasat University
- Bachelor of Accounting, Thammasat University
- Director Accreditation Program (DAP) Class 55/2006
Thai Institute of Directors (IOD)
- Director Certification Program (DCP) Class 79/2007
Thai Institute of Directors (IOD)
- Audit Committee Program (ACP) Class 17/2007
Thai Institute of Directors (IOD)
- Certified Public Accountant No. 2974

Work Experience

Past 5 Years - Present

Position in the Company & Subsidiaries:

2014 - Present	Independent Director, Audit Committee Member, Chairman of Nomination and Compensation Committee, Chairman of Corporate Governance Committee	Buriram Sugar Public Company Limited)
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Position in Listed Companies:

2006 - Present	Independent Director, Audit Committee Member	The Steel Public Company Limited
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Position in Other Limited Companies/ Organizations:

2012 - 2016	Director	Taiping Ethanol Co., Ltd.
2007- 2009	Advisor of Administrative Director	Mahidol University Savings and Credit Co-Operative Limited
1998-2006	Manager	Mahidol University Savings and Credit Co-Operative Limited

Position in Competition/ Related to Businesses of

the Company: - None -



Name: Mr. Sirichai Sombutsiri

Position : Independent Director
and Audit Committee Member

Nationality : Thai

Age: 63

Appointment Date: 10 January 2013

Number of Share : 337,500 Shares
(equivalent to 0.05%)

(As of December, 16 2016/ Including spouse's and underage child's)

Meeting Attendance Year 2016: 7/8

Family Relationships among Directors/ Executives/ Major Shareholders:

- None -

Forbidden Qualifications: Never dishonestly committed an offence against property and never entered into any transaction which may cause conflict of interest against the Company during the year

Education & Training Background:

- Bachelor of Business Administration in Accounting (Honor), Thammasat University
- Master of Business Administration in Finance, University of Southern California, USA
- Advanced Management Program, Harvard Business School, USA
- Certificate, The Joint State Private Sector Regular Course of the National Defense College, Class 15
- Director Accreditation Program (DAP) Class 25/2004 Thai Institute of Directors (IOD)
- Director Certification Program (DCP) Class 5/2007 Thai Institute of Directors (IOD)
- Capital Market Academy Leadership Program Class 5, Capital Market Academy

Work Experience

Past 5 Years - Present

Position in the Company & Subsidiaries:

2013 - Present	Independent Director, Audit Committee Member	Buriram Sugar Public Company Limited
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Position in Listed Companies:

2009 - 2013	Vice President of Business Customer	Siam Commercial Bank Public Company Limited
2009 - Present	Independent Director	OHTL Public Company Limited
2014 - Present	Director, Executive Director	Land and Houses Bank Public Company Limited
2016 - Present	Independent Director	Prebuilt Public Company Limited

Position in Other Limited Companies/ Organizations:

- None -

Position in Competition/ Related to Businesses of the Company: - None -



Name: Mr. Anant Tangtongwechakit

Position: Director, Chairman of Executive Committee, Chairman of Risk Management Committee and Managing Director (Authorized Director)

Nationality : Thai

Age: 52

Appointment Date: 13 September 1988

Number of Share : 27,528,600 Shares

(Owned by 27,507,500 shares equivalent to 4.06% and Mrs. Sureewan Tangtongwechakit, spouse by 0.00% in total 21,100 shares)

(As of December 16, 2016/ Including spouse's and underage child's)

Meeting Attendance Year 2016: 8/8

Family Relationships among Directors/ Executives/ Major Shareholders:

Elder brother of Mrs. Wanphen Punyaniran, Mrs. Jirawan Pongpichitkul, Miss Chittima Tangtrongwechakit, Mr. Sarit Tangtrongwechakit and Mr. Adisak Tangtrongwechakit

Forbidden Qualifications: Never dishonestly committed an offence against property and never entered into any transaction which may cause conflict of interest against the Company during the year

Education & Training Background:

- 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 (IOD)
- Capital Market Academy Leadership Program class 15, Capital Market Academy
- Diploma, The National Defense Course of the National Defense College Class 56

Position in Listed Companies: 2016 – Present Independent Director
Thaifoods Group Public Company Limited

Position in Competition/ Related to Businesses of the Company: - None -

Work Experience Past 5 Years - Present

Position in the Company & Subsidiaries:

2012 - Present	Director, Chairman of Executive Committee, Chairman of Risk Management Committee, Managing Director	Buriram Sugar Public Company Limited
2011 - Present	Chairman of the Board of Directors, Chairman of Executive Committee, Managing Director	Buriram Sugar Factory Co., Ltd.
2010 - Present	Chairman of the Board of Directors, Chairman of Executive Committee	Buriram Sugarcane Research and Development Co., Ltd.
2005 - Present	Chairman of the Board of Directors, Chairman of Executive Committee	Buriram Energy Co., Ltd.
2011- Present	Chairman of the Board of Directors, Chairman of Executive Committee	Key Brand Fertilizer Co., Ltd.
2011- Present	Chairman of the Board of Directors, Chairman of Executive Committee	Buriram Power Co., Ltd.
2015 - Present	Chairman of the Board of Directors, Chairman of Executive Committee	Buriram Power Plus Co., Ltd.
2015 - Present	Chairman of the Board of Directors, Chairman of Executive Committee	Chamni Sugar Factory Co., Ltd.
2015 - Present	Chairman of the Board of Directors, Chairman of Executive Committee	Buriram Sugar Capital Co., Ltd.

Position in Other Limited Companies/ Organizations:

1975 - Present	Director	Thai Sugar Producers Association
1995 – Present	Director	The Thai Sugar Trading Co., Ltd.
2014 – Present	Chairman of Board of Directors, Chairman of Executive Committee	BRS Train Terminal Logistics Co., Ltd.

	1999 - Present	Director	Taksin Pattana Co., Ltd.
	1994 - Present	Director	Suriwan Enterprise Co., Ltd.
	2013 - 2016	Director	A Team Intertrade Co., Ltd.
	2010 - Present	Director	Siphandone Bolaven Development Co., Ltd.
	2009 - Present	Chairman of Executive Committee, Director	T Plus Property Co., Ltd.
 <p>Name: Mrs. Wanphen Punyaniran</p> <p>Position: Director (Executive and Authorized Director)</p> <p>Nationality: Thai</p> <p>Age: 50</p> <p>Appointment: 7 July 2012</p> <p>Number of Share: 27,407,500 Shares (equivalent to 4.05%) (As of December 16, 2016/ Including spouse's and underage child's)</p> <p>Meeting Attendance Year 2016: 8/8</p> <p>Family Relationships among Directors/ Executives/ Major Shareholders: Younger sister of Mr. Anant Tangtongwechakit and elder sister of Mrs. Jirawan Pongpichitkul, Miss Chittima Tangtrongwechakit, Mr. Sarit Tangtrongwechakit and Mr. Adisak Tangtrongweachakit</p> <p>Forbidden Qualifications: Never dishonestly committed an offence against property and never entered into any transaction which may cause conflict of interest against the Company during the year</p>	Work Experience Past 5 Years - Present		
	Position in the Company & Subsidiaries:		
	2011 - Present	Director	Buriram Sugar Public Company Limited
	2012 - Present	Director, Executive Committee Member, Managing Director	Key Brand Fertilizer Co., Ltd.
	Position in Listed Companies: -None-		
	Position in Other Limited Companies/ Organizations:		
	2004 - Present	Director	Borthong Steel Co., Ltd.
	2007 - Present	Executive Committee Member	Premasuk Hotel Ordinary Partnership
	Position in Competition/ Related to Businesses of the Company: - None -		
	Education & Training Background: - Secondary School Grade 2, Marywithaya Prachinburi School - Director Accreditation Program (DAP) class 98/2012, Thai Institute of Directors (IOD)		



Name: Mrs. Jirawan Pongpichitkul
Position: Director, Executive Committee
 Member, Risk Management Committee
 Member and Senior Deputy Managing
 Director (Domestic Investment:
 Agricultural Business) (Authorized
 Director)
Nationality: Thai
Age: 49

Appointment: 11 November 2010

Number of Share: 27,407,500 Shares (equivalent to 4.05%)

(As of December 16, 2016/ Including spouse's and underage child's)

Meeting Attendance Year 2016: 7/8

Family Relationships among Directors/ Executives/ Major Shareholders:

Younger sister of Mr. Anant Tangtongwechakit and Mrs. Wanphen
 Punyaniran and elder sister of Miss Chittima Tangtrongwechakit,
 Mr. Sarit Tangtrongwechakit and Mr. Adisak Tangtrongwechakit

Forbidden Qualifications: Never dishonestly committed an offence
 against property and never entered into any transaction which may
 cause conflict of interest against the Company during the year

Education & Training Background:

- 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 (IOD)

Work Experience

Past 5 Years - Present

Position in the Company & Subsidiaries:

2010 - Present	Director, Executive Committee Member, Risk Management Committee Member, Senior Deputy Managing Director (Domestic Investment : Agricultural Business)	Buriram Sugar Public Company Limited
2011 - Present	Director, Executive Committee Member,	Buriram Sugar Factory Co., Ltd.
1996 - Present	Director, Executive Committee Member, Managing Director	Buriram Sugarcane Research and Development Co., Ltd.
2005 - Present	Director	Buriram Energy Co., Ltd.
2011 - Present	Director, Executive Committee Member	Key Brand Fertilizer Co., Ltd.
2011 - Present	Director	Buriram Power Co., Ltd.
2015 - Present	Director	Buriram Power Plus Co., Ltd.
2015 - Present	Director	Chamni Sugar Factory Co., Ltd.
2015 - Present	Director	Buriram Sugar Capital Co., Ltd.

Position in Listed Companies: -None-

Position in Other Limited Companies/ Organizations:

-None-

**Position in Competition/ Related to Businesses of
 the Company:** - None -



Name: Miss Chittima Tangtrongwechakit

Position: Director, Executive Committee
Member, Risk Management Committee
Member, Nomination and Compensation Committee Member, Corporate Governance Committee Member and Senior Deputy Managing Director (Domestic Investment : Commercial) (Authorized Director)

Nationality : Thai

Age: 47

Appointment : 12 May 1995

Number of Share: 27,407,500 Shares (equivalent to 4.05%)
(As of December 16, 2016/ Including spouse's and underage child's)

Meeting Attendance Year 2016: 8/8

Family Relationships among Directors/ Executives/ Major Shareholders:

Younger sister of Mr. Anant Tangtongwechakit, Mrs. Wanphen Punyaniran and Mrs. Jirawan Pongpichitkul and elder sister of Mr. Sarit Tangtrongwechakit and Mr. Adisak Tangtrongwechakit

Forbidden Qualifications: Never dishonestly committed an offence against property and never entered into any transaction which may cause conflict of interest against the Company during the year

Education & Training Background:

- Bachelor of Business Administration (Marketing)
Buriram Rajabhat University
- Director Accreditation Program (DAP) class 98/2012,
Thai Institute of Directors (IOD)
- Anti-Corruption The Practical Guide (ACPG) 30/2016
Thai Institute of Directors (IOD)

Work Experience

Past 5 Years - Present

Position in the Company & Subsidiaries:

1995 - Present	Director, Executive Committee Member, Risk Management Committee Member, Nomination and Compensation Committee Member, Corporate Governance Committee Member and Senior Deputy Managing Director (Domestic Investment : Commercial)	Buriram Sugar Public Company Limited
2011 - Present	Director, Executive Committee Member, Senior Deputy Managing Director (Sale Department)	Buriram Sugar Factory Co., Ltd.
2010 - Present	Director	Buriram Sugarcane Research and Development Co., Ltd.
2005 - Present	Director	Buriram Energy Co., Ltd.
2011 - Present	Director	Key Brand Fertilizer Co., Ltd.
2011 - Present	Director	Buriram Power Co., Ltd.
2015 - Present	Director	Buriram Power Plus Co., Ltd.
2015 - Present	Director	Chamni Sugar Factory Co., Ltd.
2015 - Present	Director	Buriram Sugar Capital Co., Ltd.

Position in Listed Companies: -None-

Position in Other Limited Companies/ Organizations:

-None-

Position in Competition/ Related to Businesses of the Company: - None -



Name: Mr. Sarit Tangtrongwechakij

Position: Director, Executive Committee Member, Risk Management Committee Member and Senior Deputy Managing Director (International Investment) (Authorized Director)

Nationality: Thai

Age: 46

Appointment: 25 June 2004

Number of Share: 27,407,500 Shares (equivalent to 4.05%)

(As of December 16, 2016/ Including spouse's and underage child's)

Meeting Attendance Year 2016: 8/8

Family Relationships among Directors/ Executives/ Major Shareholders:

Younger brother of Mr. Anant Tangtongwechakit, Mrs. Wanphen Punyaniran, Mrs. Jirawan Pongpichitkul and Miss Chittima Tangtrongwechakit and elder brother of Mr. Adisak Tangtrongwechakit

Forbidden Qualifications: Never dishonestly committed an offence against property and never entered into any transaction which may cause conflict of interest against the Company during the year

Education & Training Background:

- 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 (IOD)

Work Experience Past 5 Years - Present

Position in the Company & Subsidiaries:

2004 - Present	Director, Executive Committee Member, Risk Management Committee Member and Senior Deputy Managing Director (International Investment)	Buriram Sugar Public Company Limited
2011 - Present	Director, Executive Committee Member, Senior Deputy Managing Director (Production Department)	Buriram Sugar Factory Co., Ltd.
2010 - Present	Director, Executive Committee Member	Buriram Sugarcane Research and Development Co., Ltd.
2005 - Present	Director, Executive Committee Member	Buriram Energy Co., Ltd.
2011 - Present	Director	Key Brand Fertilizer Co., Ltd.
2011 - Present	Director, Executive Committee Member	Buriram Power Co., Ltd.
2015 - Present	Director, Executive Committee Member	Buriram Power Plus Co., Ltd.
2015 - Present	Director, Executive Committee Member	Chamni Sugar Factory Co., Ltd.
2015 - Present	Director, Executive Committee Member	Buriram Sugar Capital Co., Ltd.

Position in Listed Companies: -None-

Position in Other Limited Companies/ Organizations:

2010 - Present	Director, Executive Committee Member	Siphandone Bolaven Development Co., Ltd.
2010 - Present	Executive Committee Member	World International Network Co., Ltd
2014 - Present	Director	Buriram Premier Bike Co., Ltd.

Position in Competition/ Related to Businesses of the Company: - None -



Name: Mr. Adisak Tangtrongweachakit

Position: Director, Executive Committee Member, Risk Management Committee Member, Nomination and Compensation Committee Member, Corporate Governance Committee Member and Senior Deputy Managing Director (Domestic Investment : Energy Business) (Authorized Director)

Nationality: Thai

Age: 44

Appointment: 25 June 2004

Number of Share: 27,407,500 Shares (equivalent to 4.05%)
(As of December 16, 2016/ Including spouse's and underage child's)

Meeting Attendance Year 2016: 8/8

Family Relationships among Directors/ Executives/ Major Shareholders:

Younger brother of Mr. Anant Tangtongwechakit, Mrs. Wanphen Punyaniran, Mrs. Jirawan Pongpichitkul, Miss Chittima Tangtrongwechakit and Mr. Sarit Tangtrongwechakit

Forbidden Qualifications: Never dishonestly committed an offence against property and never entered into any transaction which may cause conflict of interest against the Company during the year

Education & Training Background:

- 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 (IOD)
- Risk Management Program for Corporate Leaders (RCL) 4/2016 Thai Institute of Directors (IOD)

Position in Competition/ Related to Businesses of the Company: - None -

Work Experience Past 5 Years - Present

Position in the Company & Subsidiaries:

2004 - Present	Director, Executive Committee Member, Risk Management Committee Member, Nomination and Compensation Committee Member, Corporate Governance Committee Member and Senior Deputy Managing Director (Domestic Investment : Energy Business)	Buriram Sugar Public Company Limited
2011 - Present	Director, Executive Committee Member	Buriram Sugar Factory Co., Ltd.
2010 - Present	Director	Buriram Sugarcane Research and Development Co., Ltd.
2005 - Present	Director, Executive Committee Member, Managing Director	Buriram Energy Co., Ltd.
2011 - Present	Director	Key Brand Fertilizer Co., Ltd.
2011 - Present	Director, Executive Committee Member, Managing Director	Buriram Power Co., Ltd.
2015 - Present	Director, Executive Committee Member, Managing Director	Buriram Power Plus Co., Ltd.
2015 - Present	Director, Executive Committee Member	Chamni Sugar Factory Co., Ltd.
2015 - Present	Director, Executive Committee Member	Buriram Sugar Capital Co., Ltd.

Position in Listed Companies: -None-

Position in Other Limited Companies/ Organizations:

2007 - Present	Director, Executive Committee Member, Managing Director	BRS Train Terminal Logistics Co., Ltd.
2014 - Present	Vice Chairman of Board of Directors	The Federation of Buriram Industries

Executives

01 Mr. Anant Tangtongwechakit

Chairman of Executive Committee
and Managing Director

02 Mrs. Jirawan Pongpichitkul

Executive Director
and Senior Deputy Managing Director
(Domestic Investment Group,
Agricultural Business)

03 Miss Chittima Tangtrongwechakit

Executive Director
and Senior Deputy Managing Director
(Domestic Investment Group, Commercial)

04 Mr. Sarit Tangtrongwechakit

Executive Director
and Senior Deputy Managing Director
(International Investment Group)

05 Mr. Adisak Tangtrongweachakit

Executive Director
and Senior Deputy Managing Director
(Domestic Investment Group,
Energy Business)

06 Mr. Vorathep Lertchaiudomchok

Senior Deputy Managing Director
(Finance and Operation Group)

07 Mr. Pattarapong Pongsawasdi

Deputy Managing Director
(Investor Relations, Foreign Affairs
and Industry Policy Dept.)

08 Mr. Pitak Chaosoun

Deputy Managing Director
(Finance and Operation Group)

09 Mr. Adul Suravudhikul

Senior Assistant
Managing Director
(Financial Management Dept.)



Executive Information

Please find further information of the Executives number 1-5 in the "Directors Information"

Name / Position	Education Background	Percent of Share	Family Relationships among Directors/ Executives and Major Shareholders	Work Experience Past 5 Years - Present		
				Period	Position	Company
No.6 Mr. Vorathep Lertchaiudomchok Senior Deputy Managing Director, Finance and Operation Group	<ul style="list-style-type: none"> - Bachelor of Commerce, Chulalongkorn University - Master of Public Administration, National Institute of Development Administration - Director Accreditation Program (DAP), Class 39/2005 Thai Institute of Directors (IOD) 	0.011% (Related Persons Included as of Dec 16, 2016)	-	2017 (Present)	Senior Deputy Managing Director (Finance & Operation)	Buriram Sugar Public Company Limited
				2005 – 2016	Deputy Managing Director, (Finance & Operation)	
				2012 – 2014	Company secretary	
No.7 Mr. Pattarapong Pongsawasdi Deputy Managing Director, Investor Relations, Foreign Affairs and Industry Policy Dept.	<ul style="list-style-type: none"> - Bachelor of Political Science, Chulalongkorn University - Master of Art (International Relations), University of Wollongong, Australia 	-	-	2017 (Present)	Deputy Managing Director (Investor Relations, Foreign Affairs and Industry Policy)	Buriram Sugar Public Company Limited
				2013-2016	Senior Assistant Managing Director (Investor Relations, Foreign Affairs and Industry Policy)	
				2013 – Present	Director	Thai Sugar and Bio-Energy Producers Association (TSEA)
				2014 - Present	Director	Thai Sugar Millers Corporation Limited
				2003 - 2013	Manager	Thai Sugar and Bio-Energy Producers Association (TSEA)
				2005 - 2013	Secretary	Coordinating Committees for 3 Associations of Sugar Manufacturing Factory

Name / Position	Education Background	Percent of Share	Family Relationships among Directors/ Executives and Major Shareholders	Work Experience Past 5 Years - Present		
				Period	Position	Company
No.8 Mr. Pitak Chaosoun Deputy Managing Director, Finance & Operation Group	- Bachelor of Business Administration (Accounting), Ramkhamhaeng University - Master of Business Administration (Business Administration) Ramkhamhaeng University	0.003% (Related Persons Included as of Dec 16, 2016)	-	2017 (Present)	Deputy Managing Director (Finance & Operation)	Buriram Sugar Public Company Limited
				2013 - 2016	Senior Assistant Managing Director (Finance & Operation)	
				2006 - 2012	Financial and Accounting Manager	
No.9 Mr.Adul Suravudhikul Senior Assistant Managing Director, Financial Management Dept.	- Bachelor of Accountancy, Thammasat University - Master of Business Administration (MIS), St. Joseph's University, USA	-	-	2015 - Present	Senior Assistant Managing Director (Financial Management)	Buriram Sugar Public Company Limited
				1999 - 2015	Senior Vice President (Investment Banking)	United Overseas Bank (Thai) Public Company Limited

Changes in BRR Securities Holding of Directors and Executives in 2016

(The executive definition in accordance with the notification of the Capital Market Supervisory Board No. TorChor. 23/2008)

Name	Position	Amount of Ordinary Shares as of December 2015	Method of Acquisition and Disposition				Amount of Ordinary Shares as of December 2016	% Total Number of Voting Rights	Remark
			Buy	Sell	Received	Transfer			
Mr. Prachuab Chaiyasan	- Chairman of Board of Directors - Independent Director - Chairman of Audit Committees	337,500	-	-	-	-	337,500	0.0499	
Mr. Anant Tangtrongwechakit	- Director (Executive) - Chairman of Executive Committees - Chairman of Risk Management Committees - Managing Director	27,528,600	-	-	-	-	27,528,600	4.0678	
Mrs. Wanphen Punyaniran	- Director (Executive)	27,407,500	-	-	-	-	27,407,500	4.0499	
Mrs. Jirawan Pongpichitkul	- Director (Executive) - Executive Committee Member - Risk Management Committee Member	27,407,500	-	-	-	-	27,407,500	4.0499	
Miss Chittima Tangtrongwechakit	- Director (Executive) - Executive Committee Member - Risk Management Committee Member - Nomination and Compensation Committee Member - Corporate Governance Committee Member	27,407,500	-	-	-	-	27,407,500	4.0499	
Mr. Sarit Tangtrongwechakit	- Director (Executive) - Executive Committee - Risk Management Committee Member	27,407,500	-	-	-	-	27,407,500	4.0499	

Name	Position	Amount of Ordinary Shares as of December 2015	Method of Acquisition and Disposition				Amount of Ordinary Shares as of December 2016	% Total Number of Voting Rights	Remark
			Buy	Sell	Received	Transfer			
Mr. Adisak Tangtrongweachakit	- Director (Executive) - Executive Committee Member - Risk Management Committee Member - Nomination and Compensation Committee Member - Corporate Governance Committee Member	27,407,500	-	-	-	-	27,407,500	4.0499	
Mr. Sirichai Sombutsiri	- Independent Director - Audit Committee Member	337,500	-	-	-	-	337,500	0.0499	
Mrs. Seenual Tasanapant	- Independent Director - Audit Committee Member - Chairman of Corporate Governance Committees - Chairman of Nomination and Compensation Committees	-	-	-	-	-	-	-	No BRR Shares
Mr. Vorathep Lertchaludomchok	Senior Deputy Managing Director in Finance and Operation Group	68,900	-	-	-	-	68,900	0.0108	As of 31 January 2017, No BRR Shares
Mr. Pitak Chaosoun	Deputy Managing Director in Finance and Operation Group	20,700	-	18,000 (as of 20 Dec 2016)	-	-	2,700	0.0004 (as of 20 Dec 2016)	
Mr. Pattarapong Pongsawasdi	Deputy Managing Director in Investor Relations, International Affairs and Industrial Policy	-	-	-	-	-	-	-	No BRR Shares
Mr. Adui Suravudhikul	Assistant Managing Director in Financial Management	-	-	-	-	-	-	-	No BRR Shares

Remark: The holding of ordinary shares of any directors and executives is included the shares owned by spouse or the person who lives together as husband and wife and underage child.



Corporate Information

Buriram Sugar Public Company Limited (BRR)

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, Hinlekhai, Kumueang, Buriram 31190
Bangkok Office	:	128/77-78 Phayathai Plaza Building 7th Fl., Phayathai Road, Thungphayathai, Ratchathewi, Bangkok 10400
Telephone	:	04-465-9020, 0-2216-5820-2
Fax	:	04-465-9020, 0-2216-5823
Website	:	www.buriramsugar.com

Subsidiaries

Buriram Sugar Factory Co., Ltd. (BSF)

Business Type	:	Manufacture and distribute sugar
Head Office/Factory	:	237 Moo.2, Hinlekhai, Kumueang, Buriram 31190
Bangkok Office	:	128/77 Phayathai Plaza Building 7th Fl., Phayathai Road, Thungphayathai, 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. (BRD)

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

Buriram Energy Co., Ltd. (BEC)

Business Type : Biomass power plant
Head Office/Factory : 289 Moo.2, Hinlekfai, Kumueang, Buriram 31190
Bangkok Office : 128/77 Phayathai Plaza Building 7th Fl., Phayathai Road,
Thungphayathai, Ratchathewi, Bangkok 10400
Telephone : 04-466-6368, 0-2216-5820-2
Fax : 04-466-6368, 0-2216-5823

Buriram Power Co., Ltd. (BPC)

Business Type : Biomass power plant
Head Office/Factory : 289 Moo.2, Hinlekfai, Kumueang, Buriram 31190
Bangkok Office : 128/77 Phayathai Plaza Building 7th Fl., Phayathai Road,
Thungphayathai, Ratchathewi, Bangkok 10400
Telephone : 04-466-6368, 0-2216-5820-2
Fax : 04-466-6368, 0-2216-5823

Key Brand Fertilizer Co., Ltd. (KBF)

Business Type : Produce and distribute organic and chemical fertilizer
Head Office/Factory : 161 Moo.16, Hinlekfai, Kumueang, Buriram 31190
Bangkok Office : 128/77 Phayathai Plaza Building 7th Fl., Phayathai Road,
Thungphayathai, Ratchathewi, Bangkok 10400
Telephone : 04-465-9020, 0-2216-5820-2
Fax : 04-465-9020, 0-2216-5823

Buriram Power Plus Co., Ltd (BPP)

Business Type : Biomass power plant
Head Office/Factory : 317 Moo.2 Hinlekfai, Kumueang, Buriram 31190
Bangkok Office : 128/80 Phayathai Plaza Building 7th Fl., Phayathai Road,
Thungphayathai, Ratchathewi, Bangkok 10400
Telephone : 04-466-6368, 0-2216-5820-2
Fax : 04-466-6368, 0-2216-5823

Chamni Sugar Factory Co., Ltd (CSF)

[Former Name: Buriram Super Power Co., Ltd (BSP)]

Business Type : Manufacture and distribute sugar
Head Office/Factory : 289 Moo.2 Hinlekfai, Kumueang, Buriram 31190
Bangkok Office : 128/77 Phayathai Plaza Building 7th Fl., Phayathai Road,
Thungphayathai, Ratchathewi, Bangkok 10400
Telephone : 04-466-6368, 0-2216-5820-2
Fax : 04-466-6368, 0-2216-5823

Buriram Sugar Capital Co., Ltd (BSC)

[Former Name: Buriram Agro Energy Co., Ltd (BAE)]

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

6 Policy, Overview and Goal of Business Operation

Overview of Business Operation

Buriram Sugar Public Company Limited (“BRR”) and its subsidiaries are one of the pioneers of sugar industry in Northeastern region of Thailand in which Mr. Vichien Tangtongwechakit was the founder who initiated sugarcane growing practices and also encouraged farmers to grow sugarcane in Buriram Province. Buriram Sugar Group (“BSG”) has operated an integrated business of raw sugar and brown sugar manufacturer and distributor both for domestic sale and export more than 50 years including byproducts of sugar production such as, bagasse, molasses and filter cake (press mud) to further advance the business utterly which consists of biomass power plant and organic fertilizer business.

Sugar Business (Core Business)

1. Buriram Sugar Factory Company Limited (“BSF”) was registered in 2003 with 1 million baht of registered capital. In 2010 and 2011, BSF increased registered capital to 990,637,000 Baht and 1,050,000,000 Baht consecutively. BSF was transferred the employees in various departments, the sugar manufacturing and distribution license, the factory license, the brand, and the electricity production and generation license from BRR which currently holds 99.90% of total shares.

BSF conducts sugar production and distribution business. Its factory is located on 237 Moo.2, Baan Sao-Ae, Hinlekfai Sub-District, Kumueang District, Buriram Province and has been authorized production capability of 17,000 tons per day. In the crop year of 2015/16, the production capability was increased to 24,000 tons per day in order to support the increasing amount of cane crushing approximately 2 million tons and 3 million tons in the crop year of 2017/18. The distributed products can be divided into raw sugar and brown sugar for both domestic sales as well as international sales. In addition to sugar production, BSF can generate electricity from steam which is byproduct of sugar manufacturing, approximately 10 MW of 12 MW, total capacity to use in the sugar factory area.

2. Chamni Sugar Factory Company Limited (“CSF”) was originally Buriram Super Power Company Limited (“BSP”) which registered in 2015 with currently 5 Million Baht of registered and paid-up capital that is held 99.99% of shares by BRR. Nevertheless, BSP was changed company name and the type of business, which was registered to support the biomass power plant in the future, to CSF in order to support the sugar manufacturing factory which was

authorized the factory establishment by Office of Cane and Sugar Board (“OCSB”) on December 30, 2015 at Chamni District, Buriram Province with the capacity of cane crushing unit by 20,000 tons per day. However, CSF has not been operated.

3. **Buriram Sugar Capital Company Limited (“BSC”)** was originally Buriram Agro Energy Company Limited (“BAE”) which registered in 2015 with currently 10 million baht of registered and paid-up capital that is held 99.99% of shares by BRR. Nevertheless, BAE was changed company name and the type of business, which was registered to support ethanol business in the future, to BSC in order to support the sugar manufacturing factory which was authorized the factory establishment by Office of Cane and Sugar Board (“OCSB”) on February 4, 2016 at Nonnarai District, Surin Province with the capacity of cane crushing unit by 20,000 tons per day. However, BSC has not been operated.

Byproduct Business

1. **Buriram Energy Company Limited (“BEC”)** was originally Buriram Ethanol Company Limited which registered on 2005 with 1 Million Baht of registered capital and raised registered capital to 15.6 Million Baht in August 2006 for preparation of ethanol plant construction, however, BEC postponed its construction. In 2011, Buriram Ethanol Company Limited was changed the company name to Buriram Energy Company Limited and raised its registered capital to 135.6 Million Baht in which BRR currently holds 99.99% of total shares.

According to the electricity generation capacity of 9.9 MW, BEC uses bagasse as a main fuel including other materials such as, woodchips, sugarcane leaves and chaff as the fuel materials for electricity generation as well. BEC 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 is located closed to the BSF for convenience of bagasse logistics transportation and electric power distribution.

On December 30, 2011, BEC signed the power purchase agreement in Adder system with PEA to sell its maximum electricity 8 MW at 22,000 volts electric potential system and started its distribution in May 2012. BEC electricity generation has been promoted on investment by The Thai Board of Investment on June 28, 2011. Nevertheless, BEC has amended the power purchase agreement in Adder system to Feed-in-Tariff (FiT) system with PEA on March 11, 2016.

2. **Buriram Power Company Limited (“BPC”)** was registered on 2011 with currently paid-up registered in amount of 170 Million Baht in which BEC currently holds 99.99% of total shares. BPC was established to support the second biomass power plant of BSG with the capacity of 9.9 MW by using bagasse as a main fuel including other substitutable fuel materials such as woodchips, sugar leaves or chaff to generate electricity. BPC is located near BEC and BSF for convenience of bagasse logistics transportation. BPC sells the electricity to PEA under the power purchase agreement in FiT system by the maximum capacity of 8 MW. at 22,000 volts electric potential system which started the power purchase in April, 2015. Furthermore, BPC electricity generation has been promoted on investment by The Thai Board of Investment on January 5, 2015.

3. **Buriram Power Plus Company Limited (“BPP”)** was registered in 2015 with currently paid-up registered capital in amount of 160 Million Baht in which BRR currently holds 99.99% of total shares. BPP was established to support biomass power plant which uses bagasse as main fuel materials including other substitutable fuel materials such as woodchips, sugar leaves or chaff to generate electricity. BPP is located near BEC BPC and BSF for convenience of bagasse logistics transportation. BPP is considered as the third power plant of BSG and presently generates and distributes electricity as well as high-pressure and low-pressure steam to BSF in order to support the expansion of sugar manufacturing production business effectively. However, BPP initiated the operation on December 1, 2016 and has planned to sell electricity to PEA in the future as well.

4. **Key Brand Fertilizer Company Limited (“KBF”)** was established in 2011 with paid-up registered capital in amount of 15 Million Baht in which BRR currently holds 99.99% of total shares. KBF conducts the production of organic fertilizer and chemical fertilizer by using filter cakes as the main raw material which is byproduct of sugar production process mixed with the ingredients of chemical fertilizers. KBF started the production and distribution on December 2012 with production capacity of 30,000 tons per annum. Through the years, KBF has developed the variety of fertilizers therefore KBF currently produces 3 types of fertilizers which are tablet organic fertilizer, powdered organic fertilizer and tablet chemical fertilizers and distributes to BRD in order to support the sugarcane farmers to apply these fertilizers for soil adjustment and nutrition consecutively which will generate more crop yield and higher quality of sugarcanes.

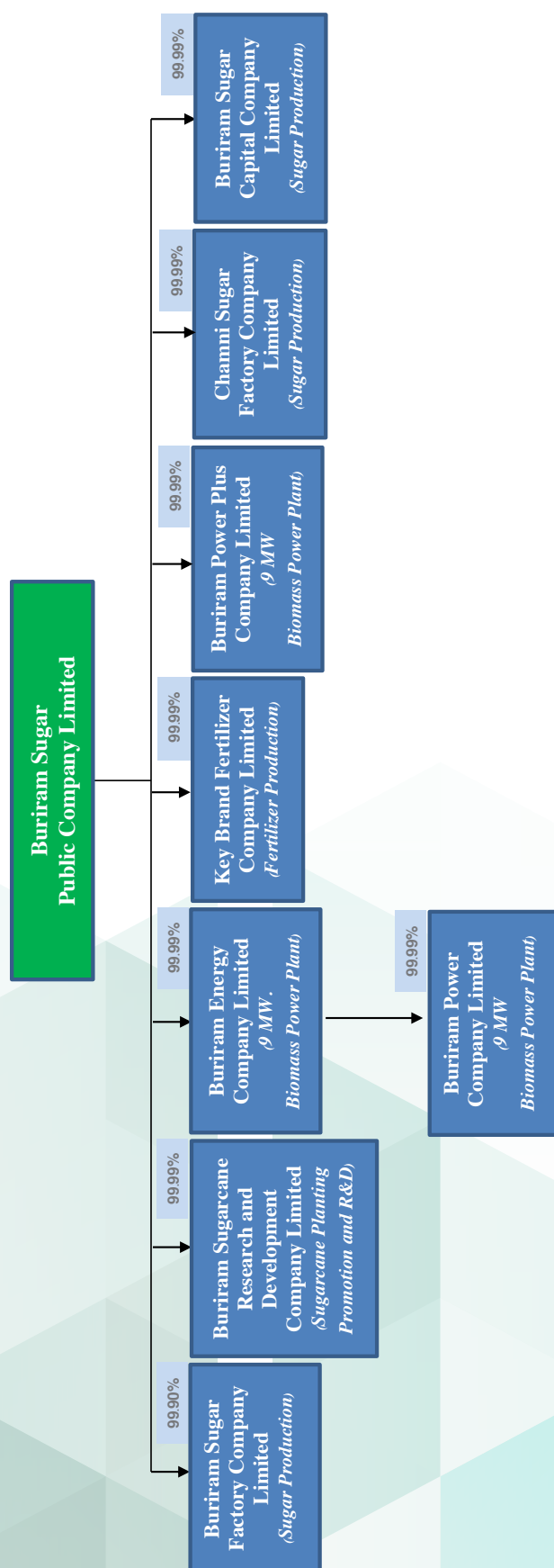
Supporting Business

Buriram Sugarcane Research and Development Company Limited (“BRD”) was originally Buriram Machinery Development Company Limited which registered in 1996 with registered capital 1 Million Baht. After that, on February 16, 2010, Buriram Machinery Development Company Limited increased the registered and paid-up capital to 70.88 Million Baht and changed its name to Buriram Sugarcane Research and Development Company Limited respectively in which BRR currently holds 99.99% of total shares.

BRD is a subsidiary that provides raw materials to BSF and operates the supporting business in the sugarcane farmers planting through conducting the contract farming with sugarcane farmers in order to provide the sufficiency of raw materials for full capacity of BSF including develop the innovations of sugarcane variety, the irrigated system management, the machines and equipment in farming, online sugarcane farmers management by Management Information System, sugarcane plantation map system by Geographic Information System and apply the technologies in every step of work in order to operate, control, assess and solve the problems real time. Moreover, BRD also coaches and conveys the academic and practical knowledge about sugarcane farming to farmers in order to increase the crop yield and quality to farmers and also strengthen the potentials of farmers for sustainably career path as well as make the certain income for a living which will develop the better quality of life consecutively.

According to the ability of agricultural plants and knowledge management of BRD, BRD has collaborated with provincial governmental agencies in zoning management of Buriram Province as the pioneer city in zoning management through changing inappropriate areas that plants other crops such as rice to plant sugarcane instead according to the policies of Ministry of Agriculture and Cooperatives. Furthermore, BRD also determines to raise the standard in agricultural management with the innovations and technologies as well as many kinds of researches in compliance with national development of Thailand Policy 4.0 in Agricultural Development which emphasizes on the economy powered by innovations

The Subsidiaries Structure of Buriram Sugar Group



Relationship of Major Shareholders' Business Group

-None-

Shareholding Structure of the Company Group

Buriram Sugar Public Company Limited is a holding company which consists of 8 subsidiaries as follows:

Company Name	Registered Capital (Million Baht)	Investment proportion (%)	Types of Business	Types of Business Regarding to the Definition of SEC	Size of Subsidiary on the Holding Company*
Sugar Business					
Buriram Sugar Factory Company Limited	1,050.00	99.90	Sugar Manufacturer and Distribute	Core Business	82.229* (62.620)**
Chamni Sugar Factory Company Limited	5.00	99.99	Sugar Manufacturer and Distribute (In Progress)	Subsidiary	N.A.**** (Not Operate Yet)
Buriram Sugar Capital Company Limited	10.00	99.99	Sugar Manufacturer and Distribute (In Progress)	Subsidiary	N.A.**** (Not Operate Yet)
Byproduct Business					
Buriram Energy Company Limited	135.60	99.99	Biomass Power Plant	Subsidiary	3.640* (7.940)**
Buriram Power Company Limited***	170.00	99.99	Biomass Power Plant	Subsidiary	4.740* (9.790)**
Buriram Power Plus Company Limited	160.00	99.99	Biomass Power Plant (Initially Operated on December, 2016)	Subsidiary	0.001* (9.470)** (Operated in 4Q/2016)
Key Brand Fertilizer Company Limited	15.00	99.99	Organic Fertilizer Manufacturer and Distributor	Subsidiary	5.550* (2.040)**
Supporting Business					
Buriram Sugarcane Research and Development Company Limited	70.88	99.99	Research and Development to Increase the efficiency of Sugarcane Farming	Subsidiary	3.840* (8.140)**

Remark:

* Sizes of Subsidiary on the Holding Company are calculated by revenue of the subsidiary's core business divided by 2016 total revenue instead of categorizing by the asset size since the Company believes that revenue method is capable to show operating results and returns from investment of each subsidiary more accurately than asset method.

** Sizes of Subsidiary on the Holding Company are calculated by the method of asset criteria by divide total asset of subsidiary after deducted connected transaction with total asset of the Holding Company at the end of 2016

*** To hold the shares by Buriram Energy Co., Ltd.

**** In the year of 2016, the subsidiary has not started business operation therefore it is unable to calculate the size of subsidiary on the Holding Company.

Important Background, Changes and Development

Buriram Sugar Public Company Limited was originally Sahathairungruang Sugar Company Limited (1963) (Transferred the business from Sahathairungruang Sugar Factory Limited Partnership) and registered on December 20, 1963 with 2 Million Baht of registered capital to support the business of brown sugar production in Buriram. The significant events and developments of BSG 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
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

Year	Major Events
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.
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.

Year	Major Events
	<ul style="list-style-type: none"> • 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 and chemical 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
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

Year	Major Events
	<p>production year 2012/2013 totaled 7,133 farmers and 129,516.73 Rai of cane growing area.</p> <p>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.</p>
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.
2015	<ul style="list-style-type: none"> • Established Buriram Agro Energy Co., Ltd. (BAE), which is held 99.99 per cent of shareholding by BRR. The objectives are produce and sell ethanol. Recently is yet to start operations. • Established Buriram Power Plus Co., Ltd. (BPP) for producing biomass power. Currently, there has not started business operation because there is asking for license to produce electricity from the Energy Regulatory Commission (ERC). • Established Buriram Super Power Co., Ltd. (BSP) which is held 99.99 per cent of shareholding by BEC for supporting the operation of the energy in the future. Currently, there has not started business operation. • The resolution of Extraordinary General Meeting of Shareholders No. 1/2015 approved the issuance and offering of debentures of 2,000 million baht to expand production capacity to 23,000 cane tons per day and / or general working capital of the company. • On December 30, 2015, there was approved by the Office of the Cane and Sugar Board to establish sugar manufacturing factory in Chamni District, Buriram Province with production capacity of 20,000 tons per day. • BRR was evaluated the 2015 Annual General Meeting of Shareholders and got 100 full scores by Thai Investors Association.

Year	Major Events
2016	<ul style="list-style-type: none"> On February 4, 2016, BRR was authorized by Office of the Cane and Sugar Board to establish one more sugar manufacturing factory in the area of Nonnarai District, Surin Province with production capacity of 20,000 tons per day. On March 11, 2016, BEC was amended the power purchase agreement with PEA from Adder system to Feed-in-Tariff system. On March 25, 2016, BRR committed to join the project of Thailand's Private Sector Collective Action against Corruption (CAC) BPP raised the registered and paid-up capital from 10 Million Baht to 160 Million Baht and adjust the organization chart within BSG in which BRR holds 99.99% of total shares instead of BEC. BRR was evaluated the 2016 Annual General Meeting of Shareholders and got 100 full scores by Thai Investors Association. On September 8, 2016, the Extraordinary General Meeting of Shareholders No.1/2016 had the resolution to approve the setup of Buriram Sugar Group Power Plant Infrastructure Fund or BRRGIF which is currently in the consideration to approve by Securities and Exchange Commission of Thailand (SEC) On October 5, 2016, BRR was awarded and certified the ability of innovation and innovative organization by National Innovation Agency of Thailand and Stock Exchange of Thailand On October 28, 2016, Buriram Agro Energy Company Limited (BAE) was changed the company name and its types of business which was the ethanol manufacturer and distributor to Buriram Sugar Capital Company Limited (BSC) to operate the business of sugar manufacturer and distributor in the area of Nonnarai District, Surin Province according to the license authorized by Office of the Cane and Sugar Board on February 4, 2016. On October 28, 2016, Buriram Super Power Company Limited (BSP) was changed the company name and its types of business which was biomass power plant to Chamni Sugar Factory Company Limited (CSF) to operate the business of sugar manufacturer and distributor in the area of Chamni District,

Year	Major Events
	<p>Buriram Province according to the license authorized by Office of the Cane and Sugar Board on December 30, 2015.</p> <ul style="list-style-type: none"> • BPP which is the third power plant of BSG was officially operated on December 1, 2016. • BRR was evaluated the 2016 Annual Corporate Governance Report of Thai Listed Companies (CGR) and got the average scores by 74% which is in Good level. • BSF increased the production capacity raised by 17,000 tons per day to 24,000 tons per day in order to support the cane crushing in the crop year of 2016/17. • In the crop year of 2015/16, the amount of cane crushing was raised to 2.06 million tons with 11,587 contract farming and 189,382 Rai of sugarcane plantation increasingly.

Business Goal

BSG set short-term and long-term business goals including the sustainable business goal according to the vision and mission as planned.

- **Short-term Goal**

Create the Sufficiency of Crop Yield and Life Quality of Sugarcane Farmers

BSG set the goal to develop sugarcane crop yield in the next 2-3 crop years by supporting the sugarcane farming and expanding the plantation to approximately 250,000 Rai in order to increase the crop yield to 3 Million tons including maintaining the standard quality of sugarcane to gain the highest yielding crops per Rai.

In the crop year of 2015/16, the amount of cane crushing is amount of 2.06 Million tons and in the crop year of 2016/17 (December 2016 – April 2017), the amount of cane crushing is approximately 2.4 Million tons. In addition to the sugarcane planting support for the crop year of 2017/18 which is currently planting, the projection of crop yield is approximately 3 Million tons as planned. The sugarcane plantation is presently 189,382 Rai approximately with 11,587 contract farming. Commercial Cane Sugar or C.C.S. is 13.45% which is ranked in top 5 of Thailand with 113.89 kilograms per tons of sugar yield.

Investment Expansion, Value Addition to Products and Byproducts Business Development in Renewable Energy.

BSG has planned to invest in the business of refined sugar manufacturer and distributor to create value-added products and support the increasing amount of sugar production by focusing on export sales for international industry which have completely studied and analyzed the sugar market situation as well as the suitable and up-to-dated technologies in order to produce the quality sugar for consumers.

In term of the business of biomass power plant, the Company planned to complete the construction of the third biomass power plant in the period of the third quarter of 2016 which is now completed. The operation was initiated on December 2016 to sell the electricity to BSF in order to support its increasing production capacity. However, if Provincial Electricity Authority (PEA) opens the negotiation for power purchase agreement, the Company will discuss with PEA about this matter accordingly.

Furthermore, the Company proposed to the shareholders' meeting to set up the Power Plant Infrastructure Fund ("the fund") which was approved from the shareholders. The fund is currently in the consideration for approval process of Securities and Exchange Commission of Thailand (SEC). However, if the fund is approved by SEC, the Company will expand the investment and develop the business continuously for the growth of the Company and its subsidiaries.

- **Long-term Goal**

The Company aims to maintain the standard and the leading of management and quality control of sugarcane to produce sugar and byproducts in maximum efficiency since the Company deeply understands that the raw material is the most major risk of the businesses therefore if it is well-managed and controlled to generate the stability as well as develop the system and business tools continuously, the Company will be able to conduct business securely.

According to the business of sugar manufacturing factory, the Company has planned to expand the investment in the future to establish additional 2 sugar manufacturing plants with 20,000 tons of production capacity per plant in compliance with the license of factory establishment authorized by the Office of Cane and Sugar Cane Board. Currently, the Company has established Chamni Sugar Factory Company Limited ("CSF") and Buriram Sugar Capital Company Limited ("BSC") to support the business operation as mentioned.

Regarding to Biomass power plant, the Company aims to develop the business, coupled with the ongoing expansion of the sugar business. The plan is to increase the electricity capacity of biomass power plant to accommodate the capacity of the various production process of BSG in the future.

Furthermore, the Company has considered developing for further business of industrial byproducts to increase revenue and create the business sustainability by conducting the feasibility study of ethanol and other products which can create value addition to agricultural byproducts of BSG.

- **Sustainable Goal**

In order to create the sustainability of business growth and development, the potential and capability to profitability is required; however, it is not the only factor that can completely create the business sustainability. The good governance and ethics, the responsibility for stakeholders, self-learning and development as well as the creative minds to develop the new innovations are also needed for sustainable business operation. As the results, BSG commits to develop these 5 sectors as follows:

- 1. Human Resource Development**

Employees are very important human resources for the business development therefore BSG pays attention to every step in human resource management especially the recruitment in order to put the right man in the right job regarding to the process of recruitment from internal and external organization to find the applicants whom the qualifications are matching with the positions including follow the working results to evaluate work performance in accordance with the standards as specified. Furthermore, the Company also regulates the employees to comply with the regulations of the Company and the “Code of Conduct and Code of Ethics” in order to recognize the priority on stakeholders as well as generate self-awareness on the social responsibility by participating the relevant activities.

Additionally, BSG has set “The Policy of Human Resource Development”, written and collected in a part of “Good Governance and Code of Conduct Handbook” which will be effective in 2017. (According to the Board of Directors’ Meeting No.2/2017 of BRR on February 23, 2017, the resolution was to unanimously approve “The Handbook of Good Governance and Code of Conduct” the major details are as follows:

The Policy of Human Resource Development

BSG provides the process to support the development of knowledge, skills and capabilities for directors, executives and employees as needed in work both in the present and in the future since BSG realizes that human resources are the most valuable assets in business operation therefore the concept of human resource development is suitable for long-term investment. BSG has developed human resources according to the policies and current situations with the knowledge and skills development and job features needed for employees through using the tools of human resources development which are coaching, knowledge sharing

and project assignment in order to direct the employees to apply the knowledge in work and strengthen the organization as well as support the business growth accordingly.

BSG commits to develop and arrange human resource development for the group of key persons through the method of consideration and selection the qualified employees who expertise in responsible tasks with the good personality and mindful behaviors including the good attitudes at work as well as the organization. The department of Human Resource and Administration has cooperated with original departments to conduct the Individual Development Plan (IDP) with the variety of learning concepts, for example, coaching, knowledge sharing, project assignment and internal and external training to acknowledge the precise data of human resource development through conducting the individual evaluation assessed by supervisors and/or the related persons and also following the performance results with supervisors 2 times/year

BSG prioritizes the development and preparation of human resources in order to support the business expansion therefore Individual Development Plan (IDP) and High Potential Development is determined through the selection of key persons in each department. The selected employees will have opportunities for learning and self-potential development, for example, learning work from different department in the organization (Rotation). Furthermore, BSG supports the stage to show the abilities for employees as well by assigning the challenging projects such as Innovation Development to respond the business operation and productions to society. The chosen projects will be supported by BSG to apply the innovations created by employees in the real work practices in order to generate the benefits for the organization indeed.

2. Sugarcane Farmers Development

According to vision and missions of BSG which commits to generate the sufficiency of crop yield and life quality for farmer regarding to the business philosophy: “**Sugar Made in the Field**”, BSG aims to support and develop the skills of sugarcane farmers in term of the academic and practical knowledge management of sugarcanes farming, from the plating process, crop cares to crop harvesting, including the knowledge to apply the up-to-dated technologies for sugarcane farming management. Furthermore, the Company organized the domestic and international company visit for sugarcane farmers in order to integrate the knowledge for further business and apply it for real work practices. The sugarcane farmers development is considered as the sustainable development which can increase the quality and crop yield per Rai for farmers

and also minimize the risk from insufficiency of raw materials as well as generate the certain sufficiency of crop yield for BSG.

Additionally, BSG has initiated the concept of “*Sugarcane Agriculturist Businessmen*” for the purpose of inspiring and educating every farmer to plan and manage the sugarcane farming and other relevant processes appropriately with the practical and theoretical knowledge support from BSG closely in order to create the stability for the career of sugarcane farmers which provide the well returns and happiness including pass on experiences as well as inherit the business from generation to generation.

3. Research, Innovation and Technology Development

Throughout the period of business operation, BSG prioritizes the development of research, innovation and modern technology to develop, improve and strengthen the potentiality for BSG and sugarcane farmers. BSG has applied Online Farming Management System, Online Smart Farm System, Management Information System (MIS) and Geographic Information System (GIS) including other technology to support sugarcane planting in order to follow the individual sugarcane fields according to the academic principles and solve the problems real time. Furthermore, BSG has conducted the researches to prevent and eliminate the plant diseases and pests, for example, the outbreak control of plant diseases and insect infestation by using the method of biological control which is the culture of natural enemies such as parasitic wasps in order to control the outbreak of Sugarcane Borer and Greenmuscardine Fungus as well as eliminate Stem Boring Grub.

Nevertheless, BSG keeps on developing business performance in order to enhance standard of the agricultural management on research, innovation and technology in accordance with Thailand 4.0 Policy of the government which focus on the economy powered by innovations.

4. Community and Environmental Development

BSG believes that the business development has to be collaborated with the development of community and environmental protection at the same time.

Community Development BSG set the important mission to enhance the life quality of people in the community through the knowledge management and the career support therefore BSG had organized the sightseeing to develop and create the value-added products including advertise and purchase the local products to make as the souvenirs for special occasions so that

the local people can earn a living and be proud of themselves. Moreover, BSG has developed and supported the education for children and the schools which are located in the surrounding area of BSG as well.

Environmental Development BSG cares and protects the environment, starting from the internal management of factory which is namely production process and landscaping around the plant. Additionally, the activities about environmental protection had been conducted with the great participation of local people, governmental agencies and employees of BSG in order to generate the unity and create the public consciousness on local environmental protection.

5. The Application of Good Governance and Business Ethics in Business Management and Development

The commitment in organization sustainably development with good governance and business ethics is one of important issues BSG has prioritized and developed constantly.

BSG has operated the business in accordance with the transparency which is disclosure the information pursuant to the appropriate regulations as required to generate the fairness as well as the equality among shareholders. Furthermore, the internal audit system proceeded by independent internal and external audits was conducted to generate the accuracy and transparency in the business operation.

In 2016, Buriram Sugar Public Company Limited committed to join the project of Thailand's Private Sector Collective Action Against Corruption (CAC) therefore the Company set up the anti-corruption policies and also organized the training for employees to gain more understanding, self-awareness and appropriate practices concerning to this matter. Additionally, BSG had reviewed the "Good Governance Policy" and "Code of Conduct and Code of Ethics for executives and employees of the Company" and set up other policies concerning to governance and ethics principles which was written and collected in "Good Governance and Code of Conduct Handbook" which will be effective in 2017. (According to the Board of Directors' Meeting No.2/2017 of BRR on February 23, 2017, the resolution was to unanimous approve "Good Governance and Code of Conduct Handbook")



Nature of Business

(1) Revenue Structure of BSG

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

Types of Revenue	Company and its Subsidiaries	2014		2015		2016	
		Million Baht	%	Million Baht	%	Million Baht	%
1. Revenue from Sugar and Molasses Sales							
1.1 Revenue from Domestic Sales of Brown Sugar	BSF	908.37	22.97	966.06	22.49	1,162.02	24.80
1.2 Revenue from International Sales of Brown Sugar	BSF	-	-	-	-	53.29	1.14
1.3 Revenue from International Sales of Raw Sugar	BSF	2,129.35	53.85	2,094.33	48.75	2,230.29	47.60
1.4 Revenue from Domestic Sales of Molasses	BSF	290.33	7.34	369.99	8.61	283.60	6.05
Total Revenue from Sugar and Molasses Sales		3,328.05	84.17	3,430.38	79.85	3,729.19	79.59
2. Revenue from Other Related Business							
2.1 Revenue from Electricity Sales	BEC / BPC	170.51	4.31	279.00	6.49	383.81	8.19
2.2 Revenue from Fertilizer Sales	KBF	285.04	7.21	378.30	8.81	328.83	7.02
2.3 Revenue from Other Goods Sold and Services Rendered	BSF / BRD	136.73	3.46	138.96	3.23	137.38	2.93
Total Revenue from Other Related Businesses		592.28	14.98	796.26	18.54	850.02	18.14
3. Other Revenues*	BRR / BSF / BRD / BEC / BPC	23.92	0.60	63.08	1.47	95.22	2.03
4. Profit/Loss from Exchange Rate	BSF	9.79	0.25	6.12	0.14	11.09	0.24
Net Total Revenues		3,954.03	100.00	4,295.85	100.00	4,685.52	100.00

Remark:

*Other revenues are namely the profits on disposal of assets, bad debt recovery and interest received.

(2) The Business of Sugar Manufacturer and Distributor

Operated by Buriram Sugar Factory Company Limited (“BSF”)

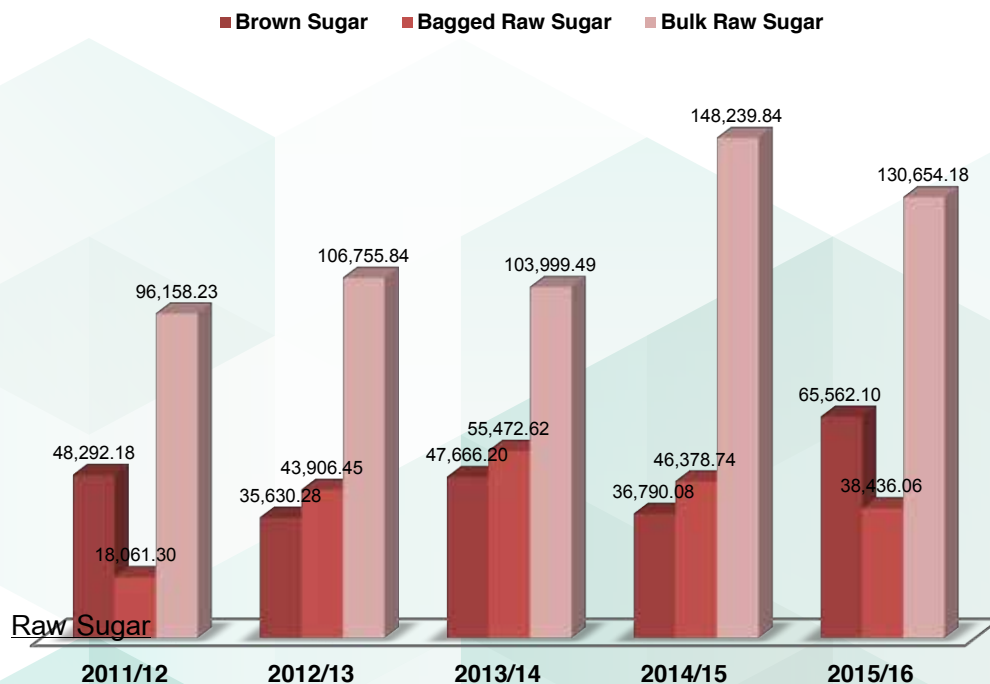
BSF is the first sugar mill of Buriram Sugar Group (“BSG”) which is located in the local community for approximately 5 decades. Throughout these years, BSF commits to produce quality sugar and safety products for consumers as well as create customer satisfaction. Therefore, BSF has developed the quality process of sugar production and distribution and received the international standard certificates which were, for example, “*ISO 9001: 2008*” certificate, “*QMS*” (Quality Management System) for quality management standard system, “*GMP*” (Good Manufacturing Practice) for quality production standard, “*HACCP*” for analysis and critical control points and “*Halal*” which ensures the products are permissible to consume for Muslims including the production management standard that has less environmental impacts, for instance, “*Carbon Footprint*” which certifies the reduction of greenhouse gas emission caused by the production process and “*Water Footprint*” which certifies the sustainable water management.

2.1 Product and Service

BSF can produce sugar classified by type and purity of sugar into 2 types which are brown sugar and raw sugar. However, raw sugar can be classified into 2 categories which are bulk raw sugar and bagged raw sugar. In addition, sugar production process can produce byproducts which can be distributed and add more values in products such as molasses, bagasse, filter cake and steam.

BSF Sugar Production Volume Classified by Types of Sugar

Unit: Metric Ton



Raw sugar is the sugar from the initial production process by boiling and crystallizing sugarcane. Raw sugar has a color value or ICUMSA higher than 1,500. 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.

In addition, very high polarization sugar (VHP) or bagged VHP is partly purified therefore its color is yellow-tinted brown with ICUMSA 1,000 - 1,500. It can be consumed without any further process needed. BSF packs high polarization sugar in bags or sacks before export divided into 2 sizes which are 50 Kilograms and 15 Kilograms.

Brown Sugar

Brown sugar is purified sugar without processing its color value therefore it becomes gold with the ICUMSA 1,000 approximately in general. The Company produces brown sugar with ICUMSA 700-1,300 (known as sugar grade 3 or golden brown sugar) and 0.1% of moisture in order to sell to distributors in local community nearby Buriram province and up-country area where is mostly in northeastern, southern and Bangkok metropolis area including modern trade as well.

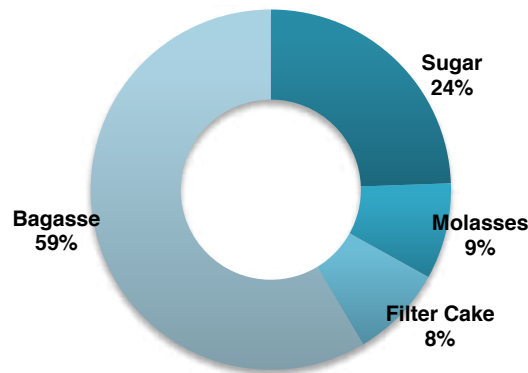
BSF Sugar Classified by ICUMSA, Polarization and Moisture

Products	ICUMSA	Polarization 2 (%)	Moisture (%)
Brown Sugar	700 – 1,300	≥ 99.20	≤ 0.1
Bagged VHP	800 – 1,300	99.20 - 99.50	≤ 0.2
Premium Sugar	≥ 1,000	≥ 99.20	≤ 0.2

Byproducts from Sugar Production Process

In addition to sugar from manufacturing process, the quantity of cane crushing in amount of 14,000 tons generally produces 1,500 tons of sugar and also byproducts from sugar production process which produces 600 tons of molasses, 3,500 tons of bagasse and 600 tons of filter cake.

In crop year of 2015/16, the quantity of cane crushing was approximately 2.06 million tons which can produce 241,219 tons of sugar and also byproducts from sugar production process which produces 85,138 tons of molasses, 578,222 tons of bagasse and 82,643 tons of filter cake.

Proportion of Sugar and Byproducts in 2016

Hence, the physical characteristics and utility of byproducts are as follows.

■ Molasses

Molasses is one of byproducts which is dark and sweet syrup left over from the centrifuge process. The composition of molasses is mostly not crystallized sucrose. According to sugar production process, it can produce 40 - 45 kilograms of molasses per 1 ton of cane crushing. Nevertheless, molasses can be used as material for food and beverage production such as, liquor, yeast, Monosodium Glutamate (MSG), vinegar and soy sauce. Currently, BSF sells molasses to food and beverage industry.

■ 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, BSF sells bagasse to power plant business group in BSG and purchases the electricity which is left from being purchased by Provincial Electricity Authority (“PEA”) to use in sugar manufacturing factory.

■ Filter Cake

Sugarcane filter cake (press mud) is a byproduct from sugarcane juice filtration. Filter cake is adhered with sugar composing of various nutrients such as, protein and other minerals which can be used for soil adjustment since the layer of filter cake protects the soil against erosion, decrease the soil pH or improves water retention, ameliorates physical and biological soil properties and the important source of plant nutrients including the animal food or biochemical gas production. BSF currently sells filter cake to Key Brand Fertilizer Company Limited (“KBF”), one of

the subsidiaries of BSG to use as the main raw material in fertilizer production and distributes to Buriram Sugarcane Research and Development Company Limited (“BRD”) in order to support sugarcane farmers in supportive areas to have the quality fertilizer for planting which generates the increase of crop yield per Rai.

■ Steam

Steam is one of byproducts from sugar production which can be utilized to propel machineries and generate electricity. The maximum electricity generation capacity of BSF is 12 Megawatts; however, BSF currently generates 10 Megawatts in average in order to utilize in the sugar factory. The additional generation helps reduce electricity cost and manage existing resources for profit maximization as well as efficiency to the organization.

2.2 Future Projects

In the end of 2015 and 2016, BSG had been authorized by Office of Cane and Sugar Board (“OCSB”) to establish 2 sugar manufacturing factories in Chamni district, Buriram province and Non-narai district, Surin province with the capacity of cane crushing unit by 20,000 tons per day for each factory. Nevertheless, these two factories was registered as Chamni Sugar Factory Company Limited (“CSF”) (originally Buriram Super Power Company Limited) and Buriram Sugar Capital Company Limited (originally Buriram Agro Energy Company Limited) respectively. The business plan of this project is currently in the process of sugarcane planting support to farmers in local areas in order to build the raw material resources. Furthermore, BSG has planned the project of refined sugar manufacturing factory in order to create the value-added products which may start the construction in 2016.

2.3 Market and Competition

➤ Competitive Strategy

BSG has experiences in sugar production and distribution more than 50 years and developed its sugar business consistently, for example, new research and development on sugarcane variety, the elimination of insect pest and plant disease, tool and machinery used in sugar production and sugarcane planting support plan, the use of technology in sugarcane farm management, the strong farmer team building through support the agricultural knowledge which leads to the sustainable development and life quality to farmers’ family in accordance with the *Sufficiency Economy Philosophy* of His Majesty King Bhumibol Adulyadej and the vision of

business operation which states that “building the crop yield stability and life quality of sugarcane farmers”. According to support this type of business, the Company established *Buriram Sugarcane Research and Development Company Limited (“BRD”)* in order to operate the business of research and development including to the support on sugarcane farmers. The competitive strategies of the Company are as follows.

1) Management of Raw Materials for Quality and Stability

BRD emphasizes the raw material management through considering the factors of quality, freshness and sufficiency of raw materials on production capacity as first priority. Furthermore, the use of technology is applied in farming management which is in compliance with smart agriculture policy under Thailand 4.0 issued by the government which focuses on economic powered by innovation including the support to farmers in order to produce low cost sugarcane but gain more crop yields and higher quality. Additionally, BRD can control and minimize the risks from many factors compared to the increasing quantity of cane crushed year on year which affected to the stability on quality of raw materials. In addition, the important factors in management of raw materials for quality and stability are as follow.

- Knowledge Support to Employees and Sugarcane Farmers

BRD has supported and developed the agricultural knowledge and new innovation including the management and planning knowledge to employees of the Company and sugarcane farmers in order to produce the quality raw materials and sufficient quantity of raw materials on production capacity which is one of the methods to create the stability of raw materials. In addition, BRD has planned to develop human resources as well as sugarcane farmers through providing the academic and practical knowledge, for example, high level leadership skill for supervisors in order to develop skills of human resources and apply the knowledge to support sugarcane farmers for purpose of creating the career in sustainability, leadership development of strong sugarcane farmers team which aims to develop integrated knowledge in sugarcane planting and help farmers to gather in groups and help each other by classified into 3 groups according to knowledge and proficiency and self-development ability which are developed farmer group, developing farmer group and sugarcane cutting group, the increase of crop yields to sustainability, the support on the use of water system in

planting areas, the high level of sugarcane planting development to study the consequences of organic materials on physical and chemical properties as well as the soil nutrients lectured by lecturers from leading university of Thailand, the sugarcane harvesting development. Furthermore, BRD also organized the company visit in domestic and international countries in order to apply the knowledge in work, for example, company visit in Vietnam for sugarcane farmers who produce more than 2,000 tons of sugarcanes to study about the rice terrace water system management in July, 2016, company visit in Japan to study about sugarcane variety and small farm management in September 2016.

In addition to the support from BRD, the sugarcane farmers of BSG mostly expertize in sugarcane farming for long time and always develop their skills with sugar factory. As the results, the quantity of cane crushing is steady increasing every year.

Sugarcane Harvesting Development in the Project of "Sugarcane Cutting Professional"

Organized 2 times which were on 22-23 November and 24-25 November 2016



High Level Leadership Skill for Supervisors for Sugarcane Farming Specialists on 11-12 October 2016



Company Visit in Japan to Study about Sugarcane Variety and Small Farm Management in September 2016



- Contract Farming Management System and Establishment of Good Relationship with Sugarcane Farmers

In order to manage farmers, Contract Farming Management System is implemented to boost production factors and to offer loans (sugarcane loan) to sugarcane farmers. This will allow farmers to supply produces to the company who will monitor the quantity of pruduces. The company will sign Contract Farming with those sugarcane fields in a radius of 40 kilometers around the manufacturer. The agreement on zoning this 40-kilometer radius has also been completed for the manufacturer in Surin and Nakhon Ratchasima province to prevent argument over produces between manufacturers.

The Establishment of Good Relationship with Sugarcanes Farmers is carried out by sending extension officers to do outreaches in the featured 18 areas to monitor sugarcane farming closely. The procedure of each outreach includes an evaluation on soil and water condition, types of sugarcanes and suitable plantations, guidance on sugarcane care, advice on problem solving, and efficient assistance. Doing so can help farmers grow high quantity and quality of sugarganes that can give them stability of income and eventually become good partners of the company

The company also collaborates with Buriram Sugarcane Association to hold events and broadcast important and useful information for sugarcane farmeres through FM 92.0 MHz radio, social network like Facebook, leaflets, and journals

In 2009, the idea of transforming farmers into “agri-business man” was initiated based on the company’s great aim to create stability and better quality of sugarcane farmers’ lives by ensuring that sugarcane farming jobs are secured and giving good profits. In addition, the farmers are encouraged to work with pleasure and inherit experience, and knowledge from generation to generation.

*40-kilometer radius sugarcane fields around the manufacturer
covering parts of Buriram and other provinces*



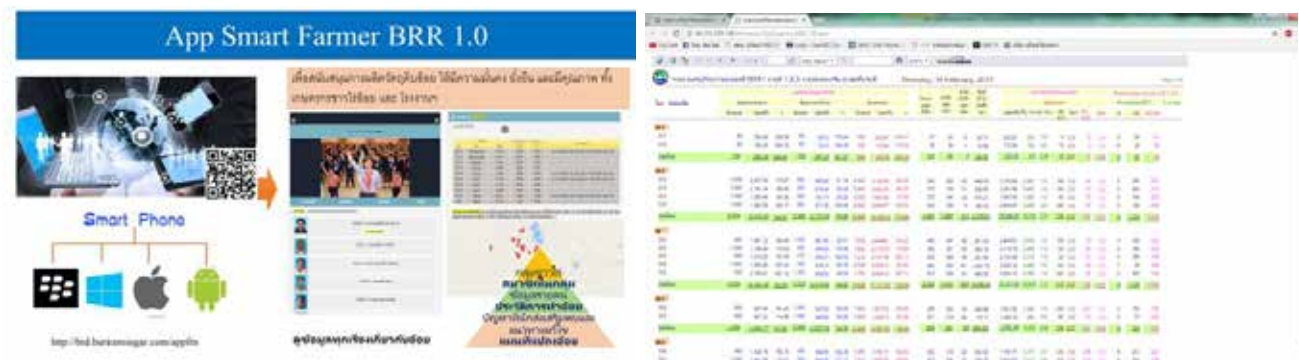
Extension Officer Doing an Outreach



2) Use of the New Technology for Sugarcane Field Management

BRD has implemented the MIS (Management Information System) and the GIS (Geographic Information System) in order to create online content and oversee sugarcane farming. Mobile phones or website can be used to access the information about any sugar farming, field-by-field management that starts from measuring the area, harvesting, nurturing, or setting up harvesting queues. Barcode system is used for supply process. The use of this system can make the management of sugarcane harvest and supply quicker, more efficient, and higher quality. It is also helpful for extension officers to monitor and provide assistance to sugarcane farmers in time.

MIS (Management Information System)



3) Research Strengths and Innovation Development

The concept of “sugar made in the fields for the manufacturers only extract the it out” has inspired BRD to recognize the importance of produces quality and; therefore, come up with a number of researches, and innovation developments in order to handle any changes and risks. Other objectives also to produce high quality goods with little invested but could yield greatly which will eventually give higher profits to the company and stability of quality of sugarcane farmers' lives. So far, BRD has conducted several researches listed below:

- Sugarcanes Research and Development

This research has provided the understanding of sugarcane types, their suitable planations, and accurate time to harvest. For example, sugarcanes planed in the end of rainy season can yield the best quality produces with highest quantity. The farming for this type of sugarcane will be between end of October and January. Appropriate age for farming of this type of sugarcane is 12-13 months. One of the cons of sugarcanes planted in the beginning of rainy season is that they tend to give low quality of produces and the investment on this farming is usually high. There are also a lot of pest, chances of flooding,

and there are more risks to invest on ratoon canes in which their produces quality and quantity cannot be guaranteed.

- *Soil Research and Development*

The company continues to develop soil and fertilizer with collaboration of Suranaree University of Technology in Nakhon Ratchasima by finding the most suitable fertilizer for each sugarcane field. This will be able to help farmers gain more profits and reduce their investment.

- *Pests and Diseases Prevention Research and Development*

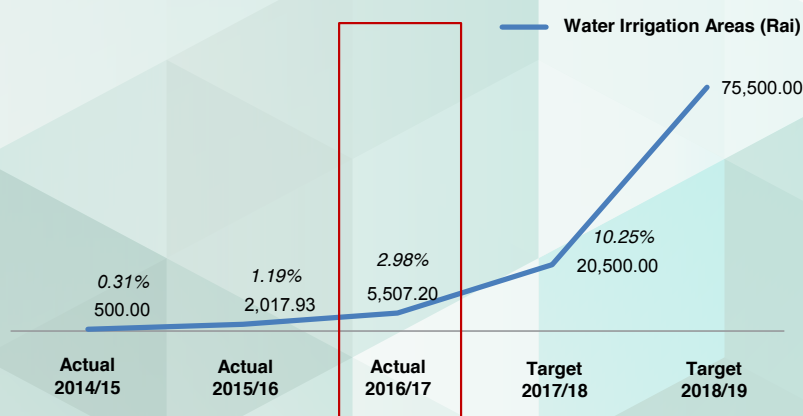
Spread of pests and diseases is prevented by implementing biological control such as using parasite to cease the spreading of caterpillars or using metarhizium fungus to get rid of longhorn beetles. This can ensure that the produces are safe for consumers. In 2016, the research on the expansion of metarhizium fungus was conducted where the sugarcane subcommittee in area 13 of Buriram province provided the training.

- *Water Irrigation System Development*

BRD has recognized that one of the main factor for sugarcane farming is sufficient water; therefore, the company has prepared a plan to handle water crisis or drought in order to avoid any effects on sugarcane farming. BRD has encouraged the uses of drip systems, and rain spray to increase sugarcane production and extend the duration of sugarcane farming out of the farming season. Fertilizer drip irrigation has effectively increased the production from around 15 or 18 tons of sugarcanes to between 25 to 30 tons per rai.

In the crop year of 2016/17, the use of water irrigation in sugarcane fields has increased for 2 percent. It is expected to increase more uses of water irrigation in the fields.

Water Irrigation Areas (Rai)



- *Quality and Production Improvement Research and Development*

In 2016, the company has conducted a research with Suranaree University of Technology to study the sweetening methods and sugar yield per rai in order to increase production.

In 2017/2018, BRD has looked forward to working on more researches and developments on, for example, finding the most suitable sugar types, reducing white leaf diseases, and justifying pH of soil to increase sugarcane production

4) Suitability of Sugarcane Fields

The stats of production in year 2016/2017 revealed that the number of sugarcane supply was as high as 42.07 million tons as a result of rainfall and the weather. According to the report of sugarcane fields in year 2016/2017, there was 210,919 rai of sugarcane fields in Buriram (rank no. 9 among other 20 provinces in north east.) with average sugarcane production of 10 tons per rai.

However, the rainfall of year 2016/2017 was lower than the year before and drought was also the cause of lower sugarcane production. The company has prepared to handle drought crisis by using the weather and rainfall stats researched to arrange sources of water and find drought-tolerate sugarcanes. This is to ensure that there are sufficient sugarcanes to produce sugar and the keep standard and quality of management to meet the objective of sugar production per a ton of sugarcanes higher than average of the country.

Since sugarcane farmers are regarded as important partners of the company, training, loans, good relationship, technological development, researches and innovation, and assistance on management have been provided to them. All efforts of the company has been given trusted from sugarcane farmers in return and it can be seen that there are more and more sugarcane farmers each year which means that more sugarcanes are supplied.

Number of Contract Farming, Sugarcane Fields and Cane Crushed

	Crop Year				
	2013/14	2014/15	2015/16	2016/17	2017/18 (Projection)
Contract Farming (Persons)	10,089	10,777	11,587	11,023	12,000
Sugarcane Fields (Rai)	168,000	180,046.23	189,381.90	185,112.91	240,000
Cane Crushed (Ton)	1,760,455.20	1,951,247.12	2,060,649.65	2,200,000	3,000,000

5) Production Efficiency and Sweetness Quality

As a result of company's interest in finding the most suitable sugarcanes, preparing fields, analyse soil, and monitor the quality of care and harvest of sugarcanes (at the right age, right types, and right quality), until they are fully grown, sugarcane farmers can produce high quality goods. According to the statistics of sugar yields, BRR has been able to produce higher quality of sugar compared to that of average industry as seen in the table below.

Comparison of Sugar Yield Ratio and Sweetness between BRR and Industry Average ("IA")

(Unit: Kilogram/ Ton of Sugarcanes)

	Crop Year					
	2013/14		2014/15		2015/16	
	BRR	IA	BRR	IA	BRR	IA
Sugar Yield	117.66	100.93	118.60	106.64	113.89	104.05
CCS (%)	13.48	13.08	13.48	12.23	13.45	11.95

Source : Office of the Cane and Sugar Board (OCSB)

Apart from high quality sugarcanes, the company also focus on the development of machinery by using computers to control the production process starting from bringing in sugarcanes until packing. Each phase of the process is monitor and tested for quality by an international food quality assurance company before selling.

The company has continued to work on a plan to increase production capacity in order to reach highest efficiency. Currently the production capacity has increased from 17,000 tons of sugarcanes per day to 20,000 tons per day and is expected to reach 24,000 tons per day in 2015/2016 to be able to handle higher quantity of sugarcanes which has doubled to 2 million tons in 2016/2017 and 3 million tons in 2017/2018.

BSF has improved sugarcanes rails and they have become dual rails where more boiling pots were added to support more production. To preserve the sweetness and scent of sugarcanes which are the unique traits of BRR sugar, BSF focuses on quality of sugarcanes supplied to the manufacturer by using only fresh sugarcanes to produce sugar. They also prioritize on machinery maintenance to continuously produce sugar. This is another factor that makes BSF's sugar production come out in higher quality compare to that of average industry.

6) Maximizing Product Value

The company has planned to maximize value of sugar products and by products by setting up a manufacturer for pure refined sugar production to export and sell abroad that has high demand of this type of sugar. The world price of pure refined sugar is higher than raw sugar so the company expects to sell them for other food industry in the country. The plan is to maximize values for those by products such as molasses so that they can be used as part of other products.

7) Customer Satisfaction and Relations

The company ensures that customer satisfaction and relations are maintained by conducting survey in each area to see the most popular brand of sugar, to study consumers' behaviors and their needs. The company also takes feedback, suggestions, or complaint from customer every three months. That information will be used for evaluation of quality, product development, and customer services to ensure that our customers can rely on our products and get the best service from us.

➤ Target Customer 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, the revenues of domestic sugar sales and export sales are as follows.

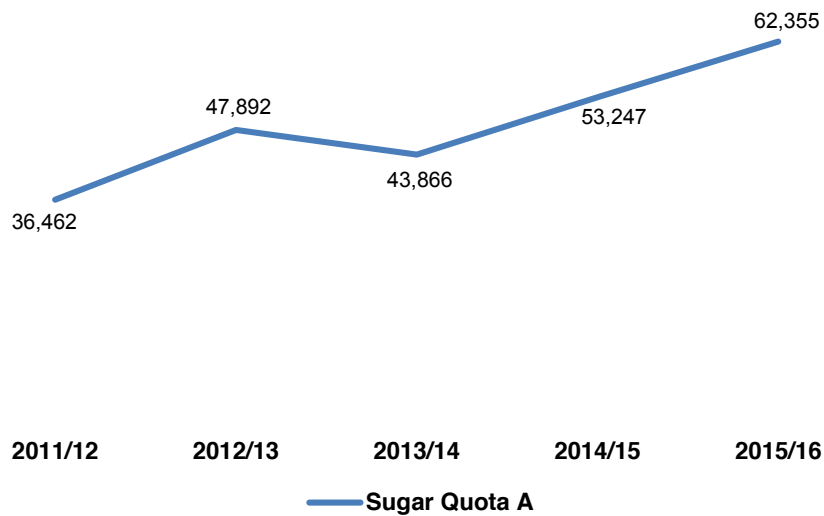
Revenues of Domestic Sugar Sales and Export Sales

	2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic Sale						
Brown Sugar	908.37	29.90	966.06	31.57	1,162.02	33.72
Export Sale						
Brown Sugar	-	-	-	-	53.29	1.55
Raw Sugar	2,129.35	70.10	2,094.33	68.43	2,230.29	64.73
Total	3,037.72	100.00	3,060.39	100.00	3,445.60	100.00

1. Domestic Sales (Quota A)

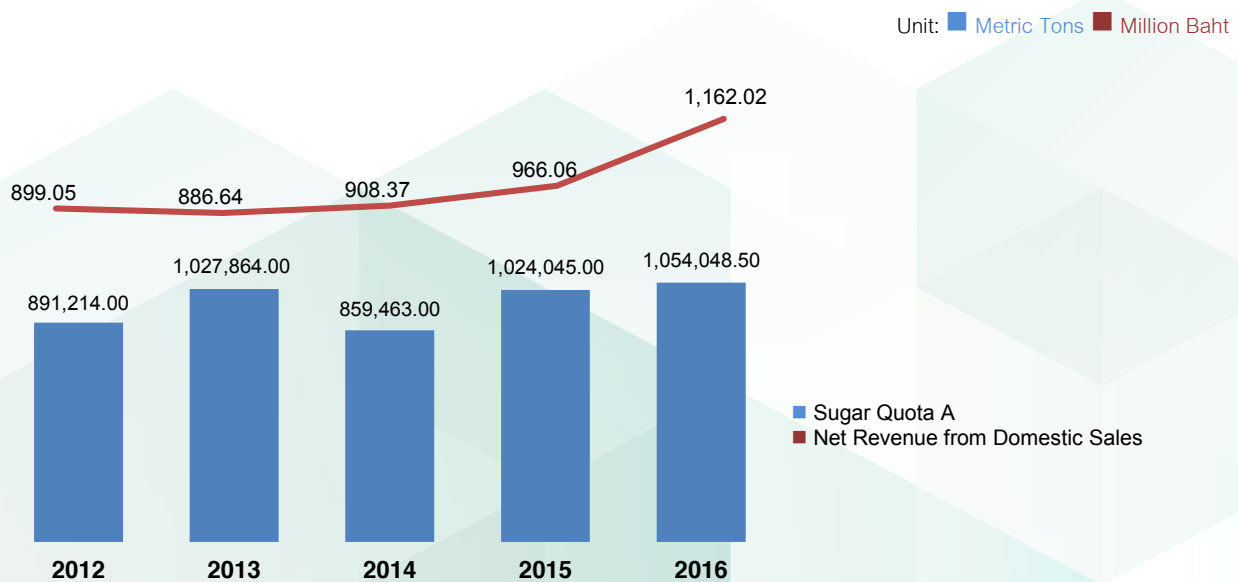
In general, domestic sugar sale or known as sugar quota A has to be allocated by Office of the Cane and Sugar Board ("OCSB"). In the crop year of 2015/16, the allocation of sugar quota A was equivalent to 2.6 million tons throughout the country. As the results, the allocation of sugar quota A for BSF was equivalent to 62,355 tons.

Allocation of Sugar Quota A for BSF



According to the graph, BSF was allocated increasing amount of sugar quota A every year which was derived from the quantity of cane crushed has steadily increased every year as well.

Sale Volume and Net Revenues from Domestic Sales

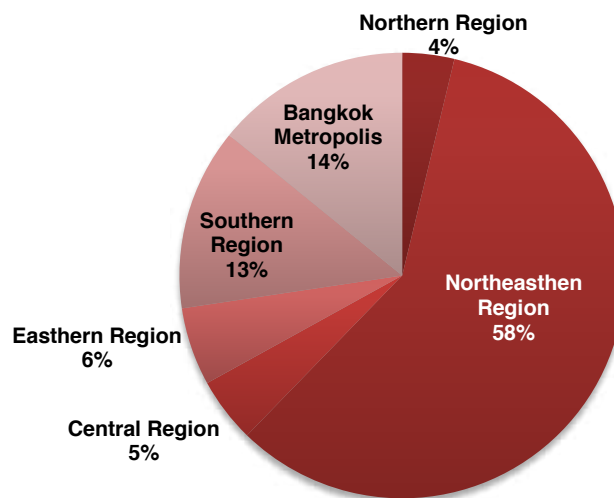


BSF distributes brown sugar to domestic customers via distributor or sells directly to consumers in local community and nearby areas in Buriram and other upcountry provinces and also creates sales through modern trade with the product brand named “Double Key”

1.1 Distributor or Retail Shops

Distributors shall purchase 50kg of sugar from BSF to resell to consumers. Distributor may send the product requests for 3-4 days in advance or receive orders from customers 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. Moreover, the smell of sugar which is made from the pure natural cane juice as well as the color of sugar which is not flavored is the special and outstanding features of sugar of the Company.

In addition, the distributors can be classified by regions as follows.



1.2 Modern Trade

Besides from the distributors or retail shops, the Company sells the sugar through modern trade to get to the customers directly. Currently, the Company sells sugar through Villa Market every branch throughout the country and also plans to extend the sugar distribution channels to the supermarket in the leading department stores as well.

1.3 Business and Strategic Plan for Domestic Sales

The sugar sales through distributors or retail shops are high competitive therefore BSF has always followed and surveyed the demand of sugar sales from customer by providing satisfaction questionnaire every 3 months and offered the promotions to maintain the existing customers. In order to increase the sale volume and customer base, BSF tries to reach the new target group of customers who have the proficiency to distribute the products in local areas therefore the Company conducted the market survey in each province to search for the bigger distributions constantly.

In 2015, in order to extend the market and distribution channels as well as create brand-awareness to consumers, BSF sells the products through the modern trade at Villa Market every branch throughout the country and plan to extend the sugar distribution channels to the supermarket in the leading department stores as well. In addition, Double Key brand is divided into 4 types of size as follow.

1. 50 Kilograms
2. 1 Kilograms each in 50 Kilograms bag
3. 1 Kilograms each in 25 Kilograms bag
4. 500 grams each in 25 Kilograms bag

In 2017, Double Key brand sugar has been changed the packaging in order to adjust the image to look more modern therefore the packaging was designed in accordance with the concept of *“good things start from good life quality”*

Old Packaging



New Packaging



Furthermore, in 2017, the Company has planned to produce and distribute premium brown sugar under the brand named “BRUM” which shall be sold in modern trade in order to increase the sugar options to consumers, extend the customer target groups and add value in the products of the Company. The premium brown sugar has been crystallized for more than 8 hours therefore the size of sugar is quite big with the smooth smell and taste. BRUM is classified into 2 size of packaging which is 300 grams and 500 grams.

According to market promotion activities to build brand-awareness in wide range, in 2016, the Company participated in the product expo, for instance, Thailand Industry Expo 2016 at Muang Thong Thani and Healthy Farm which received the well-responses from consumers. Hence, in

2017, the Company has increased the market promotion activities to gain more new customer group, for example, participate in expo to sell the products including create various sale promotions to attract the customers.

2. Export Sales (Sugar 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 19 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 traders like Bunge, Sucden, Olam, Wilmar, Alvean and Noble Agri 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 24, 2017 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 and distributution since 6 sacs or 300 kgs.) 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 1 bag (net sugar quantity 1kg)	22.85 Baht
White sugar grade 1 and 2 per 1 bag (net sugar quantity 1kg)	21.85 Baht
White sugar grade 3 (brown sugar) per 1 bag (net sugar quantity 1kg)	21.35 Baht

Source: Office of the Cane and Sugar Board

If there's separation of sugar to 1kg package, price of the package cannot 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: The notification of Central Board of Goods and Services Pricing, Article 21 B.E.2560 concerning to the terms and conditions of sugar sale pricing

2. International sales (Quota B and C)

Selling price of Quota B

International sugar sales volume of Quota B is determined by The Office of the Cane and Sugar Board. While 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 Thai Cane and Sugar Co., Ltd. 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.

1) Overview

1.1) World's Sugar Demand and Supply

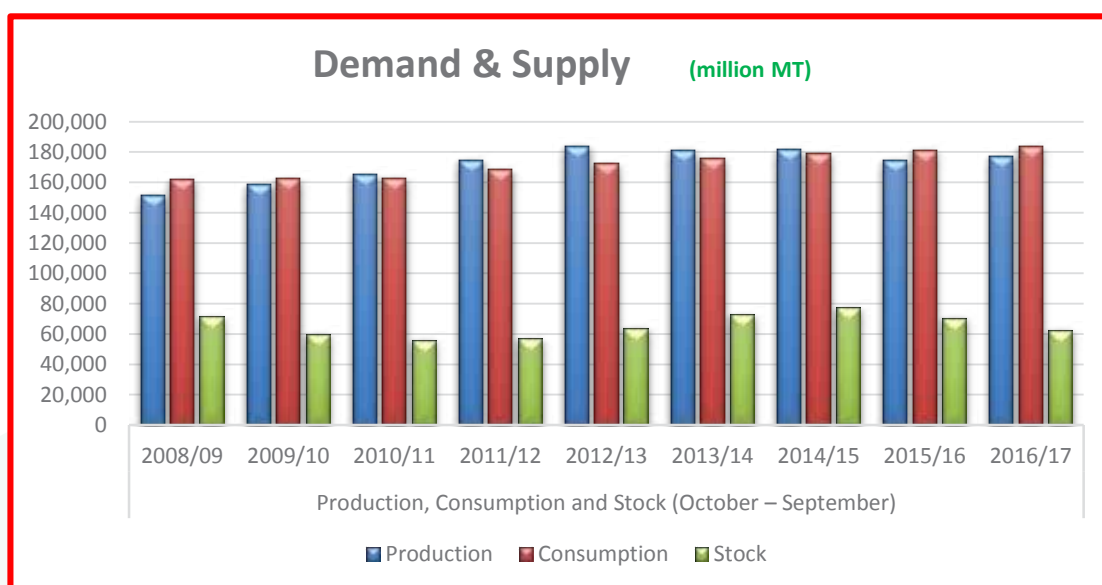
Unit: million MT¹

	Production, Consumption and Stock (October – September)								
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 ²
Production	151,615	158,451	165,201	174,575	184,098	181,347	181,729	174,672	177,434
Consumption	161,968	162,567	162,774	168,425	172,461	175,997	178,851	181,050	183,701
Stock	71,533	60,048	55,951	57,130	63,684	72,787	77,491	70,613	62,494

Source: World Sugar Balances 2007/08 – 2016/17 F.O. Lich's International Sugar and Sweetener Report, 04.11.2016

Notes 1. metric ton raw value

2. forecast



2015/16 crop year was another year of consecutive global sugar deficit due mostly to the prolong El Nino effect that started in late 2014. Production of major producing countries – India, China and Thailand - were critically damaged by the drought.

1.2) World Sugar Industry

Unit: million MT¹

Major Sugar Producers	Sugar Production (October – September)				
	2012/13	2013/14	2014/15	2015/16	2016/17 ²
Brazil	41.1	39.5	34.7	40.5	38.5
India	27.3	26.5	29.0	27.2	22
China	14.2	14.4	11.4	9.45	10.5
European Union	17.4	17.1	19.0	15.0	16.8
USA	8.1	7.6	7.8	8.08	8.55
Thailand	10.3	11.6	11.3	10	9.7
Australia	5.0	4.0	5.1	5.12	5.29

Source: 1. World Sugar Balances 2007/08 – 2016/17 F.O. Lich's International Sugar and Sweetener Report, 04.11.2016

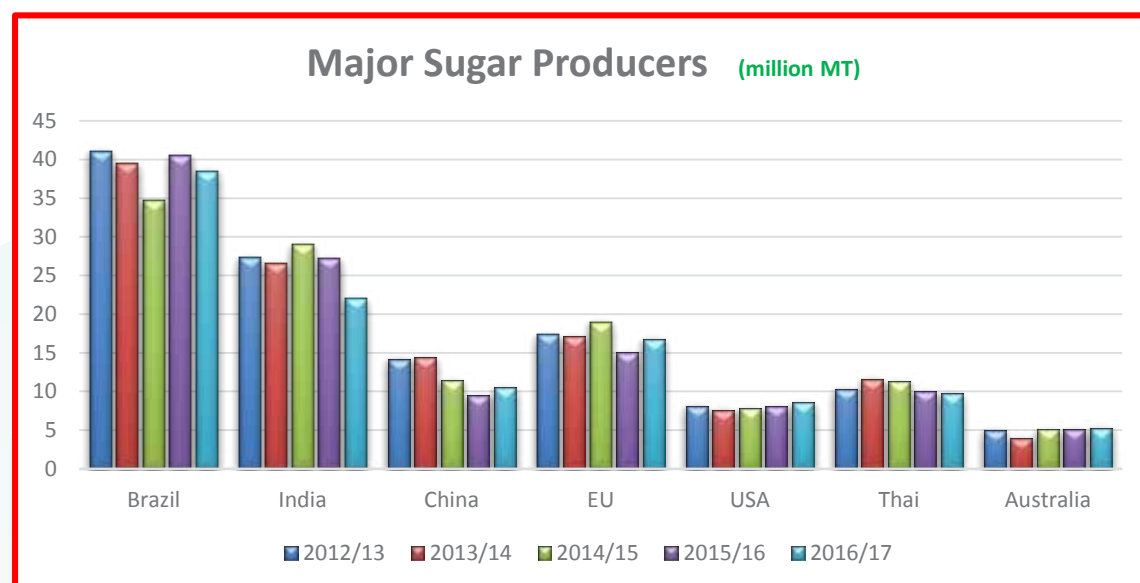
2. India Sugar Millers Association (ISMA)

3. Sucden

4. Office of Cane and Sugar Board, Thailand

Notes 1. metric ton raw value

2. Forecast



Production in most major sugar producers were lower due to El Nino effect, especially in India, Thailand and China. It is estimated that in 2017, sugar deficit figure should be around 5 million MT. In case of China, changing weather pattern and the encroachment of competing crops – mulberry, citrus and eucalyptus – were the two main causes of lower than expected production.

World sugar deficit was a fundamental factor behind the gradually rising of world sugar price in the second half of 2016. It is expected that NY No. 11 sugar price would move between 19 – 21 cent/pound in 2016 and 2017 except there are some severe change of weather pattern in major sugar production countries and the change of policies in major exporting and importing nations.

1.3) Key Consumption Countries

Unit: million MT¹

Countries	Consumption (October – September)				
	2012/13	2013/14	2014/15	2015/16	2016/17 ²
India	25.3	26.2	27.2	27.8	28.2
European Union	19.0	19.2	19.3	19	19.2
China	15.7	16.1	16.6	17.1	17.6
Brazil	12.7	12.6	12.4	12	12.1
USA	10.6	11.1	10.9	11	11
Indonesia	5.9	6.3	6.5	6.7	6.94

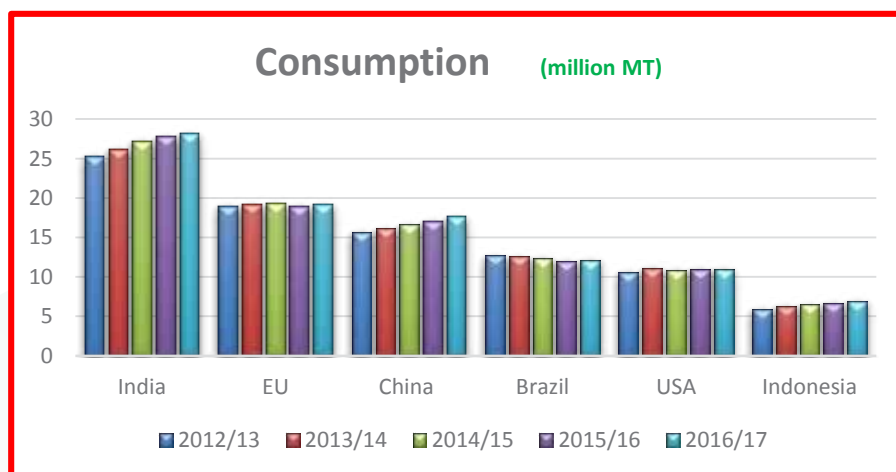
Source: 1. World Sugar Balances 2007/08 – 2016/17 F.O. Lich's International Sugar and Sweetener Report, 04.11.2016

2. Indian Sugar Mills Association (ISMA)

3. Office of Cane and Sugar Board, Thailand

Notes 1. metric ton raw value

2. forecast



Sugar consumption growth was rising in major developing nations especially India (1.31 billion people) and China (1.37 billion people). Global consumption growth has been moving at around 1.7 – 1.8% pa. Asia is the biggest sugar deficit region with the shortage of around 10 million MT a year. The current world sugar consumption is around 180 million MT per year, analysts expect

this figure could rise to 200 million MT in the next few years. Thailand, as the second biggest sugar exporter, is in the advantageous position to feed rising demand in Asia and Africa.

1.4) Major Exporting Countries

Unit: million MT¹

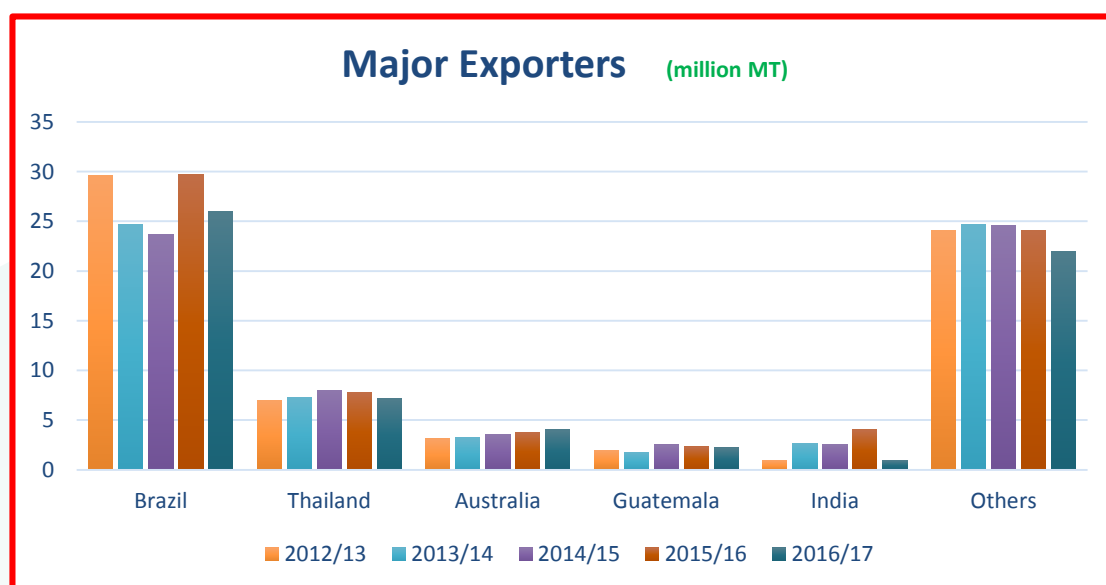
Major Exporters	Volumes (October - September)				
	2012/13	2013/14	2014/15	2015/16	2016/17 ²
Brazil	29.6	24.7	23.7	29.7	26
Thailand	7	7.3	8	7.8	7.2
Australia	3.1	3.2	3.6	3.8	4
Guatemala	2	1.8	2.5	2.3	2.2
India	1	2.7	2.6	4	1
Others	24.1	24.7	24.6	24.1	22

Source: 1. World Sugar Balances 2006-07 – 2015/16 F.O. Lieth's International Sugar and Sweetener Report, 05.02.2016

2. Sugar World Markets and Trade, United States Department of Agriculture, Foreign Agriculture Service, November 2016

Notes 1. metric ton raw value

2. forecast



Though Thailand is behind Brazil three times in term of export volumes, Thai's role in the world sugar arena has increasingly recognized with its continuous expansion of production capacities and export volumes. Critical issue that needed to be watched is the changing weather pattern, especially El Nino phenomenon.

In 2015/16 crop year, BRR shipped 160,000 MT to overseas markets, namely Indonesia, the Philippines, Taiwan and African nations.

1.5) Major Importing Countries

Unit: million MT¹

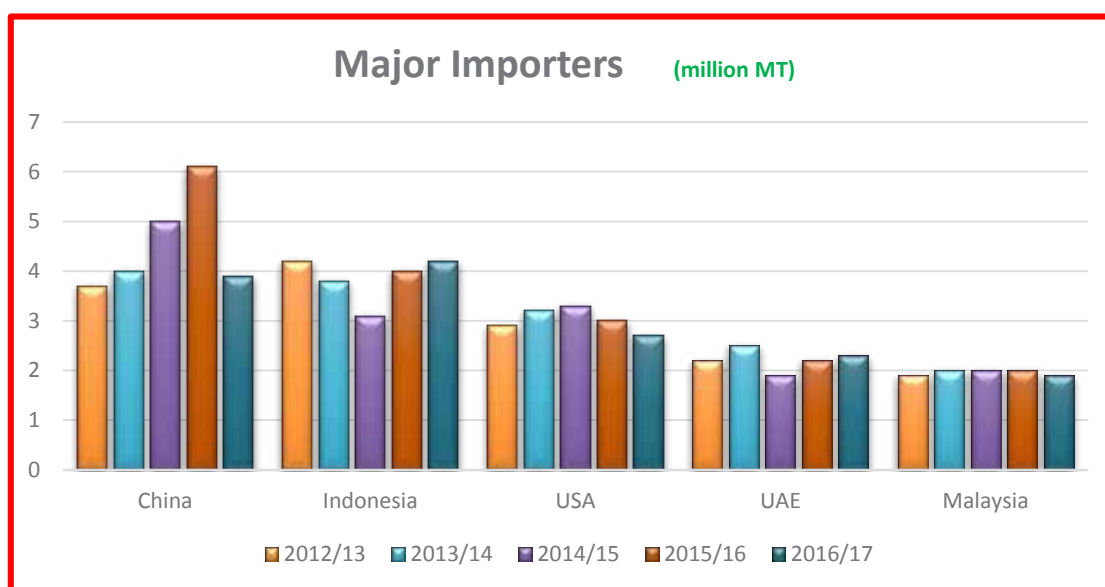
Major Importers	Volumes (October - September)				
	2012/13	2013/14	2014/15	2015/16	2016/17 ²
China	3.7	4	5	6.1	3.9
Indonesia	4.2	3.8	3.1	4	4.2
USA	2.9	3.2	3.3	3	2.7
UAE	2.2	2.5	1.9	2.2	2.3
Malaysia	1.9	2	2	2	1.9
Others	46.4	48.3	47.7	51.3	48

Source: 1. World Sugar Balances 2006-07 – 2015/16 F.O. Lieth's International Sugar and Sweetener Report, 05.02.2016

2. Office of Cane and Sugar Board, Thailand

Notes 1. metric ton raw value

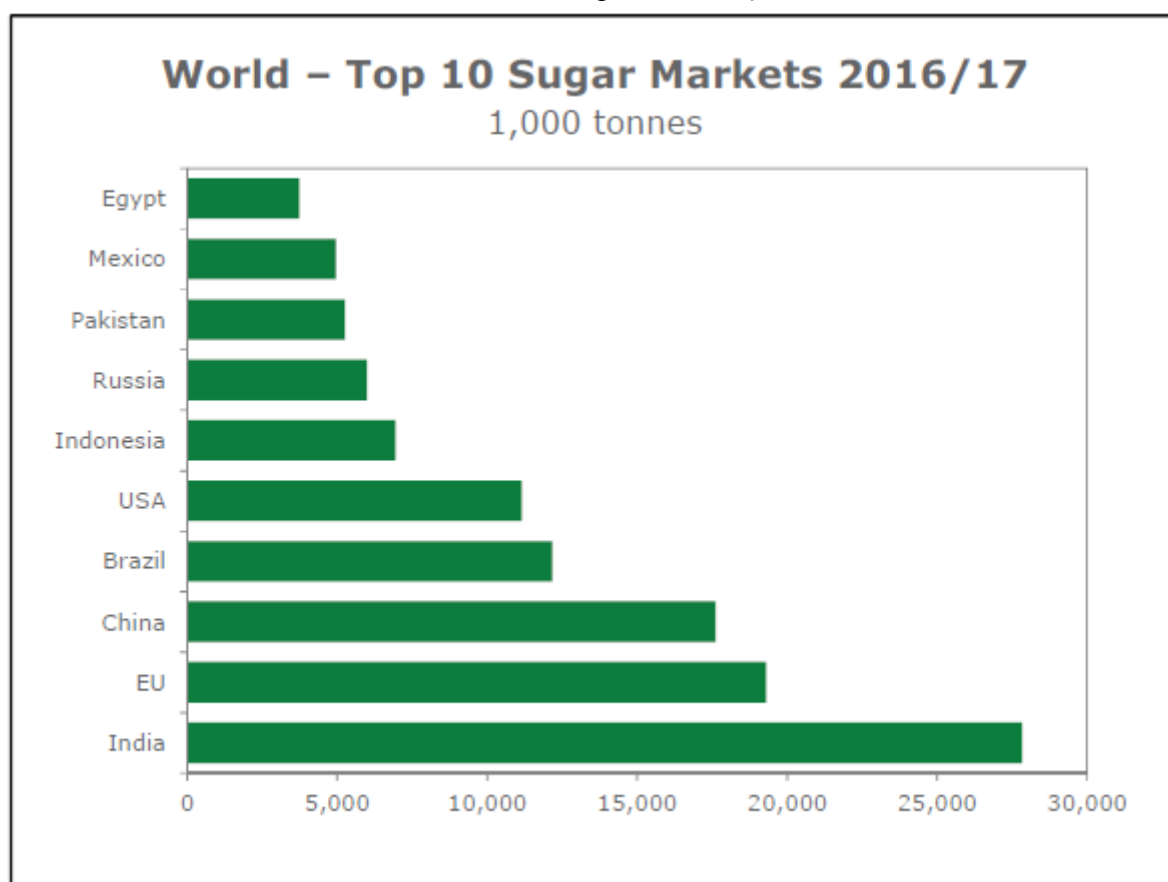
2. forecast



China ranked first for three consecutive years in term of import volumes since 2014/15 crop year. Changing weather pattern, importing policy and other crops encroachment were the reasons behind the rising import figures. China consumes 16 million MT a year but could produce up to 8.5 – 10 million MT depending on the aforementioned factors. While, Indonesia produces around 2.5 million MT for the annual demand of 6 million MT. Thailand was the major raw sugar supply for Indonesian market due to its comparative advantages over other sugar origins in term of importing tariffs under ASEAN Free Trade Agreement. United Arab Emirates and Malaysia imported

considerable amounts of raw sugar each year to feed their gigantic sugar refining industries.

Share of Sugar Consumption



Source: F.O. Lichts' International Sugar & Sweetener Report, Vol. 148 No. 25, August 29, 2016

According to F.O. Lichts' International Sugar & Sweetener Report, India is still the world biggest sugar consuming nation, followed by the EU, China, Brazil and the US. Though the consumption volume is highest, India is able to feed its own population except in the unfavorable weather year. In ASEAN, Indonesia comes first in term of both consumption and import due to its growing population.

Analysis

Sugar market relatively fluctuated in line with the changing fundamental factor, especially the deficit global sugar balance. NY No. 11 price averaged at around 16.49 cent/pound.

1) El Nilo phenomenon still flexed its muscle on the world sugar production, resulted in the lower production level in India, China and Thailand and global sugar deficit. This, after 5 consecutive years of surplus as well as depleting stocks in major net-importing countries, led to the

gradual inclined of NY No. 11 price from 15 cent/pound in the early of 2016 to the level of 22.5 – 24 cent/pound in October. The balance of global sugar supply and demand ended at a shortage of 7.5 million MT in 2015/16 crop year.

Year	Production	Consumption	Supply & Demand	Stocks
2012/13	179.5	169.6	9.0	53.7
2013/14	178.2	173.0	5.2	58.9
2014/15	178.3	176.1	2.2	61.1
2015/16	169.1	178.9	- 9.8	51.3
2016/17	174.6	182.2	- 7.5	43.8
2017/18	186.4	186.1	0.1 - 0.3	44.1

Sources: Olam, Reuters, Bloomberg

2) China resumed the first spot of major sugar importing destination for 2 consecutive years with the amount of 6 million MT in 2016. Its substantial import posed strong implication to the world trade flow and price. The current sugar retail price in China is 36,000 baht/ton or 36 baht/kg.

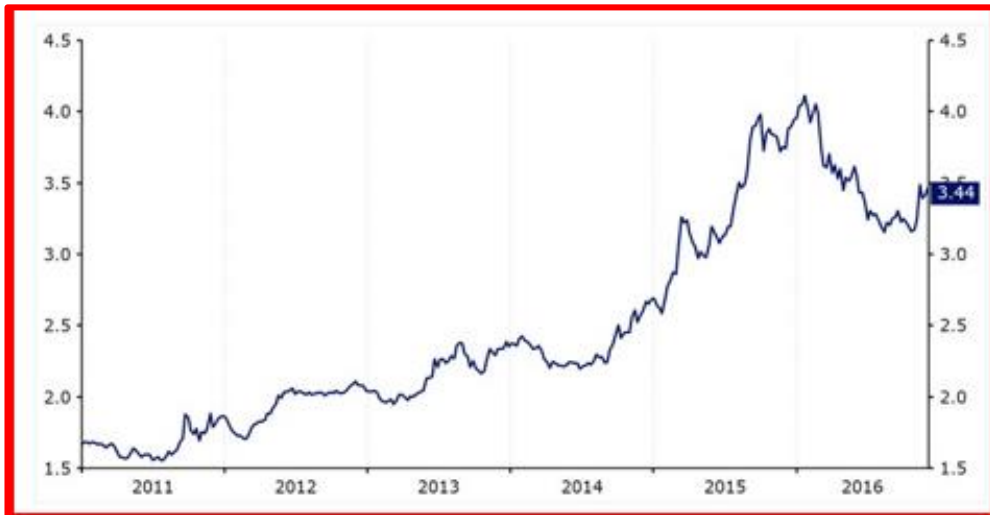


Source: Bloomberg

3) Brazilian economy was in the state of recovery from the prolong domestic political conflict during 2014 – 2016 which had subsequently eroded international confidence in its economy up until President Dilma Rousseff was voted out of office by the senate on the bribery

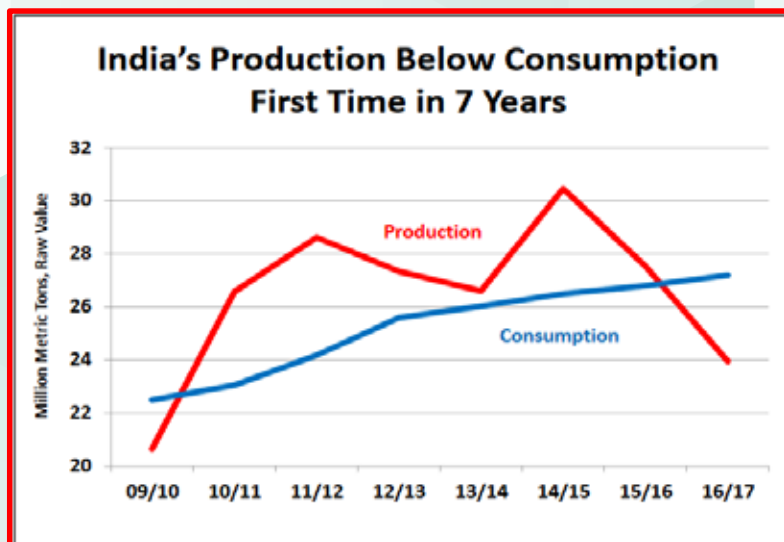
scandal and economic decline in August 2016. Brazilian's Real fell over 50% , from 2,55 to 4.20 Real/US\$ in September 2015 before moving to 3 Real/US\$ level and closed at 3.25 Real/US\$ at the end of 2016. Real's strengthening was positive for the overall economy, however it eroded the competitiveness of Brazilian sugar in the world market. For the 2016/17 crop year, rising world sugar price enables Brazilian sugar producers to increase ratio of sugar : ethanol from the previous 42.5% to 46.5%.

US\$/BRL (2011 – 2016)



Source: Thomson Reuters

4) India has always been the key changing factor for world sugar market. In 2016/17 crop year, though rainfall was better than 2015/16, it was not enough to restore part of the damaged crop, especially in the cane belts' Maharashtra, Karnataka and Tamil Nadu. Sugar production was expected initially in October 2016 at 23.5 million MT and now at 20 million MT, while domestic stock was also depleting. Analysts expected India to import some amount to fulfill 26 million MT annual demand.



Source:

Sugar World Markets and Trade, United States Department of Agriculture, Foreign Agriculture Service, November 2016

5) Global weather's changing pattern has for the past years posed negative impact on sugar production in some major producers – Brazil, India, China and Thailand.

6) Roles of Fund and speculators

2) Thai and the Sugar World

Thailand assumes the rank of Asia's major sugar supplier for a number of years. On the global scale, Thailand is ranked only behind the gigantic Brazil. Thai's comparative advantage over major rivals – Brazil and Australia – lies in its strategic location in Asia where, the annual sugar supply is 10 million MT short. The demand is expected to surpass supply by 15 million MT in 2020. It is an ample opportunity for Thailand as a major supplier.

Major Export Markets for Thai Sugar

2.1) Export Markets and Volumes (January – December)

Unit: Metric Ton

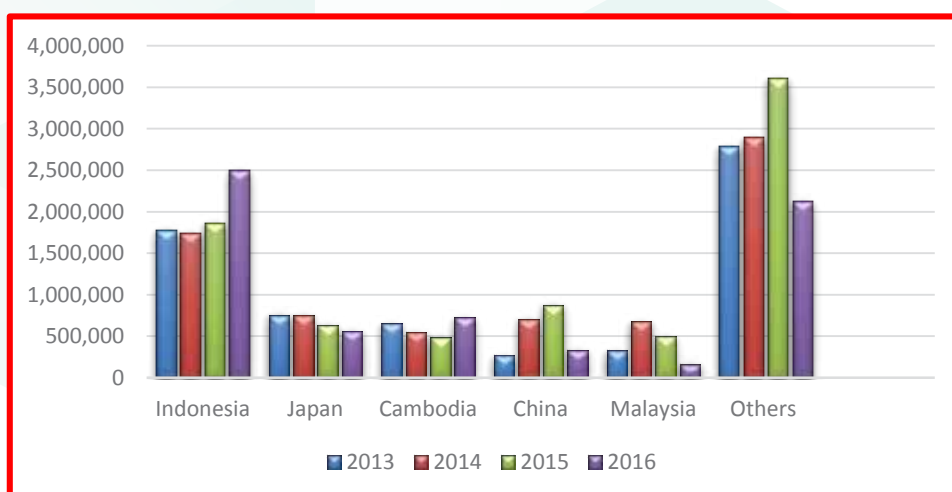
Countries	Volumes			
	2013	2014	2015	2016
Indonesia	1,781,115	1,746,594	1,861,232	2,498,071
Japan	754,252	752,211	634,719	560,476
Cambodia	651,578	546,950	490,904	724,398
China	262,678	704,382	876,871	332,986
Malaysia	326,163	676,875	497,805	161,345
Others	2,785,941	2,894,563	3,604,974	2,122,381
Total	6,561,727	7,321,575	7,966,505	6,399,657

Sources: 1. Office of Cane and Sugar Board, Thailand

2. Thai Sugar Millers Corporation Limited

Major Export Markets

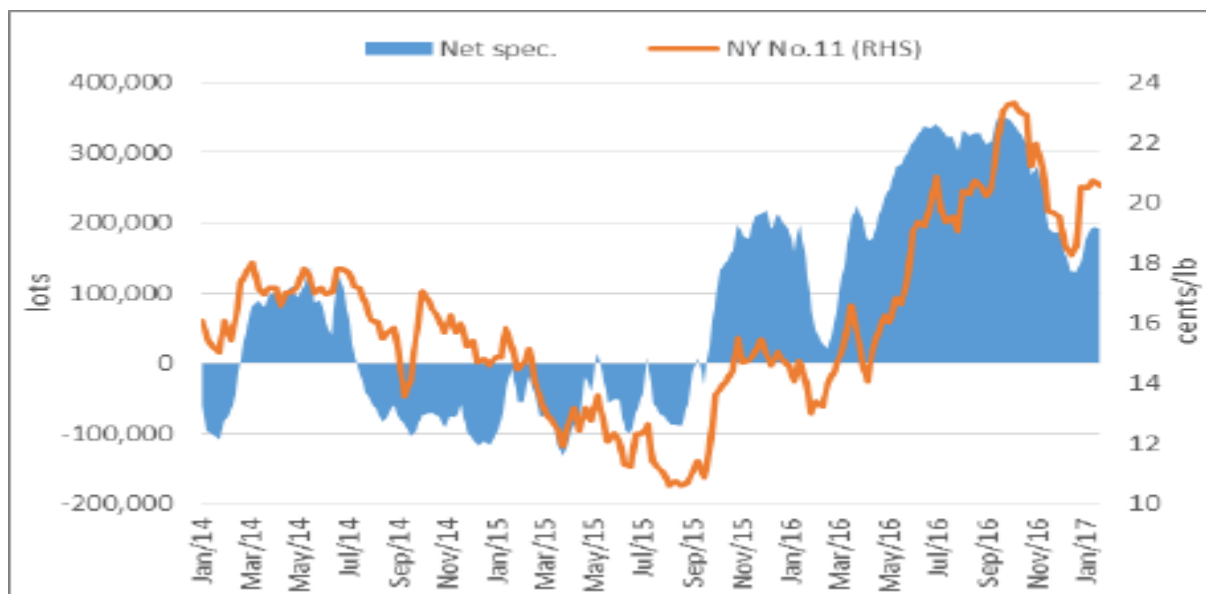
Unit: Metric Ton



2.2) World Sugar Price (NY No. 11)

NY No. 11 (January 2014 – January 2017)

Unit: Cent/Pound



Source: Reuters

In recent history, NY No. 11's price hit the record 36 cent/pound in February 2011 before gradually declined to the 14 cent/pound level in late 2014 before hitting the low 10.13 cent/pound in August 2015. Price movement reflected the expansion of acreage area under cane in several production nations. Rapid expansion since 2011 led to long consecutive years of sugar surplus amid the global's demand growth of merely 1.7% pa. During 2015 to 2016 where the cycle had turned, market experienced the first year of world sugar deficit. Price had slowly moved up to over 15 cent/pound in December 2015. In 2016, price moved down to 12 cent/pound level before started climbing in May and moved pass 24 cent/pound level in October and closed slightly down at 19.35 cent/pound at the end of December 2016.

2.3) Domestic Sugar

Thai's cane and sugar industry is governed by 1984 Cane and Sugar Act where quotas for domestic consumption and export is allocated. Domestic price is controlled by the Ministry of Commerce under The Act on Price of Goods and Services 1999.

In 2015/16 crop year, 54 mills were in operation with 94 million MT of cane crushed and 9.78 million MT of sugar.

Thai Sugar mills, 2015/16 crop year

Group	No. of Factory (s)	Sugar (Metric Ton)	Market Share (%)
Mitr Phol	6	1,964,123	20.08
TRR	8	1,392,030	14.23
KSL	5	774,327	7.92
KTIS	3	722,390	7.39
Wang Kanai	4	514,535	5.26
Korach	2	574,197	5.87
Erawan	2	516,112	5.28
Ban Pong	2	437,019	4.47
Kumphawapi	2	301,084	3.08
Chon Buir	4	462,770	4.73
Thai Kanchanaburi	2	287,226	2.94
Mitr Kaset	2	220,699	2.26
Rayong	2	51,994	0.53
Buriram Sugar Factory	1	241,219	2.47
Others	9	1,321,192	13.49
Total	54	9,780,923	100

Source: Thai Sugar Millers Corporation Limited

On the requested for consultations from Brazilian government to the Thai government at WTO's Dispute Settlement Body in April 2016 on the subsidy of the Thai sugar industry, the Thai Cabinet on October 11, 2016 approved the industry restructuring plan, as follows:

- 1) Elimination of the quota system;
- 2) Modification of domestic sugar price;
- 3) Elimination of payments of 160 Thai Baht per ton to sugarcane farmers; and
- 4) Elimination of compensation.

Currently, Thai and Brazilian authorities are discussing the details of sugar regime restructuring.

(3) By-Product Business

Biomass Power Plant Business operated by Buriram Energy Co., Ltd. (BEC), Buriram Power Co., Ltd. (BPC) and Buriram Power Plus Co., Ltd. (BPP)

Power plant business group has operated the business with the commitment concept as *"The electrical energy for community and society"*. Apart from the efficiency of electrical production, saving environment and taking community, society and stakeholders into account are the important mission for business operation of power plant business group of BSG which is reflected from the awards and the certificates that the Company received, for example, Good Governance Business Group Award in the provincial level. In 2016, the Company received the Green Industry Level 2 (Green Activity) and Green Industry Level no.3 (Green system) as well.

3.1 The quality of the products and services

Buriram Sugar Group operated its business by producing biomass power and the company has installed the production capacity of 9.9 MW that is the Very Small Power Producer ("VSPP"). BEC uses the bagasse as its fundamental fuel that easy to bring from the sugar production process and can also use a cane leaf, chopped woods, and rice husk as the raw materials to produce the electricity. Biomass power plant business of the Group is operated by these 3 Companies.

1. Buriram Energy Co., Ltd. ("BEC")
2. Buriram Power Co., Ltd. ("BPC")
3. Buriram Power Plus Co., Ltd. ("BPP")

Buriram Energy Co., Ltd. ("BEC")

BEC is the first biomass power plant of the Group which has installed the production capacity of 9.9 MW. The company sells the electricity to the Provincial Electricity Authority (PEA) at a number of 8 MW and uses 1.9 MW within the plant and BSF sugar mill. Nevertheless, on 11 March 2016, BEC amended the power purchase contract by changing from Adder system to Feed-in-Tariff ("FIT") which has affected to the increasing price of electricity sales approximately 23%.

Buriram Power Co., Ltd. (BPC)

BPC registered and operated its company in the year 2011. At present, the BEC holds shares at 99.99%. BPC is the second biomass power plant of the Group which has installed the production capacity of 9.9 MW. BPC sells the electricity to the Provincial Electricity Authority

(PEA) at a number of 8 MW in Feed-in Tariff (FiT) system on April 2015 and uses 1.9 MW within the plant and the sugar mill of BSF.

Detail of Power Purchase Agreement between BEC, BPC and PEA

Comapny	BEC	BPC
A contract No.	VSPP-PEA 044/2554	VSPP-PEA 008/2556
A date of signing the contract	December 2011	4 April 2013
Commercial Operation Date ("COD")	11 May 2012	7 April 2015
Capacity	The 8 megawatts of the maximum power quantity at 22,000 volts voltage level	
Period of Time	5 years at a time continuously and automatically (FiT Contrat Lasting 11 Years)	20 years from the date of the start of commercial supplier (FiT Contrat Lasting 18 Years)
Selling Price in FiT System	4.54 Baht/Unit	4.54 Baht/Unit

Buriram Power Plus Company Limited ("BPP")

BPP was registered in 2015 after the BSG internal re-organization in which BRR currently holds shares by 99.99% of total shares. BPP is the third power plant of BSG and started to produce the electricity on 1 December 2016 to support the increased production capacity of BSF. However, BPP has planned to sign the power purchase agreement with PEA in the future as well.

The third power plant is located nearby BSF therefore It is convenient for logistics transport of raw material for electricity production which is bagasse and also the sales of electricity and steam to BSF.

3.2 Marketing and Competition Situation

➤ Competition Strategies

Lower Production Costs and Efficient Resource Management

BEC, BPC and BPP produce biomass power from bagasse. It's a byproduct of sugar production process of BSF. One part of the electricity that is produced including intake and

exhaust of the generating electricity system. The cogeneration will be sent back to use in the sugar factory and one part of electricity will be sold to Provincial Electricity Authority to produce the cogeneration for increasing the value of the renewable energy from the electrical production. It's an efficiency of resourcing management and maximum benefit.

In addition, the third power plant is located nearby BSF where the raw material resource is; therefore the Company uses a conveyor system to deliver the bagasse to keep in fuel storage building in power plant. As the results, the Company can save time and logistic transportation cost in the same time.

Community and Environmental Caring

The commitment of power plant business is able to get along with the community and society sustainably and also can run the business smoothly therefore power plant group emphasizes environmental care as the first prioritize. In 2016, BEC was certified by ISO 14001:2004 which can guarantee the international organization for standardization in the scope of the environment management system which defines that the environmental improvement must be compatible with business improvement though focusing on the prevention of pollution continuously.

Other two power plants are in the process of development in order to qualify the ISO certification. However, these two power plants had received other awards concerning to the environmental cares (refer to the details in this annual report in section 13. "Award and Quality Certificates) All of the awards and certificates showed that the Company is aware of this commitment.

➤ Customer Features and Trading Channels

BEC and BPC have an installed capacity total of 19.8 megawatts .From this, the 16 megawatts of the electricity will be sold to the only one customer, namely, the Provincial Electricity Authority, following the power purchase contract dated on December 30, 2011 and April 4, 2013, while the remaining 3.8 megawatts will be stored for use within the company group. BPP will produce and contribute electricity to support the BSF production. The maximum production capacity is 7 MW., meanwhile, the production shall produce the high-pressure and low-pressure steam by approximately 20 tons which shall be purchased by BSF as needed.

➤ Price Policy

Power purchasing price of PEA has specified in the policy of the Very Small Power Plant Project under the purchasing price section. BEC and BPC contribute electricity for Provincial Electricity Authority refer to the purchasing price for electricity of FiT system that is around 4.54 baht per unit (kilowatt per hour). BPP contribute electricity for the sugar factory by using the reference price of purchasing electricity in Fit system of Provincial Electricity Authority.

3.3 Industry Situation and Competition

In the past, both the government and the relevant departments have given the priority to the development of the renewable energy more seriously .Consequently, the government encourage the use of the domestic resources effectively, especially the renewable energy because it is the clean energy and can be used continuously .What's more, all of the raw materials used in the electric production is of low-cost .Also supporting the renewable energy can reduce the reliance on electricity from commercial power, which can reduce the costs of importing fuel from abroad, reduce the environmental impact, and help lessen the financial burden of the State investment in the electricity production and distribution system.

In 2016, there are 545 projects of the biomass power plant for VSPP type in Thailand. There are 173 projects in the northeast. In this number there are 54 projects have turned on the power supply to commercial system (COD). The total installed capacity is 1,526.116 MW. and the total sale quantity refers to a contract is 1,073.336 MW.

Status and VSPP Biomass Power Plants in Thailand in 2016

Status	VSPP Biomass Power Plant		
	No. of Project	The installed Capacity	Sale quantity as Contracted
Submit a request but not receive any responding	0	0	0
Already received the respond but not yet sign PPA.	0	0	0
Already signed PPA but not COD	58	479.375	339.7
Already COD	145	1,762.07	883.873
Cancelled purchases	55	295.19	251.81
Cancelled requests	75	566.696	428.786
Cancelled contracts	192	1,710.50	1,290.57
The project is under the trial.	0	0	0
The Project is under appeal.	20	192.20	161.30
Total	545	5,006.03	3,356.04

Source: Energy Regulatory Commission (ERC)

The Ministry of Energy in cooperation with the Electricity Generating Authority of Thailand has considered the development plan of the country's electricity capacity of Thailand B.E. 2558-2579 (2015 – 2036) (PDP 2015 plan) with an emphasis on enhancing the stability of the electrical system with the distribution of the fuel to produce electricity. In addition, it is to decrease reliance on the natural gas, increase the proportion of electricity generated from coal, a clean technology, supply more electricity from other countries, and upsurge the proportion of electricity produced from renewable energy sources; this also includes the development of power transmission systems, and power distribution systems to support the renewable energy development and enter the ASEAN Economic Community (AEC).

For the detail of the electricity producing and using in Thailand of the development plan of the country's electricity capacity of Thailand B.E. 2558-2579 (2015 – 2036) (PDP 2015 plan) is as follows.

- Electric Capacity at December 2014 37,612 megawatts
- New Electric Capacity during 2015 – 2036 57,459 megawatts
- Electrical Capacity Detaching from the system during 2015 – 2036 -24,736 megawatts
- Total of Electric Capacity at the end of the year 2036 70,335 megawatts

Proportion of Using Renewable Energy to Produce Electricity in 2012 - 2015

The proportion of using renewable energy to produce electricity in 2012 - 2015					
Renewable Energy	2012	2013	2014	2015	Target in 2026
Solar energy	376.72	823.46	1,298.51	1,419.58	6,000.00
Wind energy	111.73	222.71	224.47	233.90	3,002.00
Biomass	1,959.95	2,320.78	2,451.82	2,726.60	5,570.00
Garbage	42.72	47.48	65.72	131.68	550.00
Micro-Hydropower	101.75	108.80	142.01	172.12	376.00
Macro- Hydropower	-	-	-	2,906.40	2,906.40
Total	2,592.87	3,523.23	4,182.53	7,590.28	18,404.40

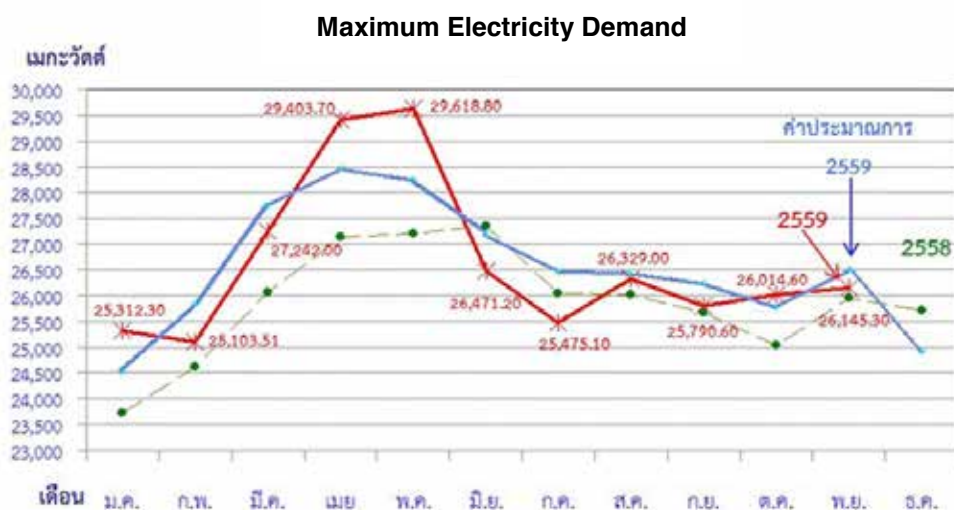
Source: Energy Regulatory Commission (ERC)

Electricity Demand Forecasting

From the preparation of the electricity demand forecasts of the country, the government officer has estimated the likely long-term gross domestic product (GDP) 2014-2036, which is in the average of 3.94% per year. For this estimation, the average rate of the population increase, which is in 0.03% per year, is engaged, and also the Energy Efficiency Development Plan (EEDP) has been applied with the aim to reduce the power consumption in the year 2036, which is equal to 89,672 million units. The officer also considers the framework of the Alternative Energy Development Plan (AEDP) for the manufacturing sector in the year 2036, which will have the capacity of electricity from renewable energy sources into the system with the number of 19,634.4 MW.

For the electricity demand forecast, which was used in the preparation of the PDP2015 plan, when the summation of the energy conservation plan, the renewable energy development plan, and the alternative energy has been counted, during the years 2014-2036, the total net electric power demand of the country will upsurge to the rate of 2.67% per year. In the year 2036, the total net electricity power demand (Energy) and the total maximum power (Peak) of the country will approximately be at 326,119 million units and 49,655 and MW.

However, Office of The National Economic and Social Development Board estimates the demand for electricity in 2016 According to the economic forecast expected that Gross Domestic Product (GDP) is going to grow 3.7% that will be affected to the maximum electrical demand is 28,470 MW. or increasing 4.1% . The demand of electricity will be increased 3.1%.



Source: Information Technology and Organization Communications Section, Electricity Generating Authority (EGA)

The maximum power demand of the running system of October was occurred on December 21, 2016, at 18.39 p.m., which was equal to 25,272.40 MW that it was increased 812.90 MW or equivalent to 3.33% comparing to the last month. As for the maximum power demand of the running system was occurred on May 11, 2016.

3.4 Raw Materials Supply

The biomass power plant of the business group uses bagasse as the fuel to produce electricity. Bagasse is a byproduct of sugar production process from the sugar factory. Besides, the biomass power plant is designed for supporting other materials, for example, sugar cane leaves, wood chips and rice husk. The company group builds more biomass power plant for supporting the expanding of sugar production. This is a cause of the increasing demand of material. The group of power plants plans to purchase sugar cane leaves from farmers to be the secondary materials to generate the electricity. However, the company group estimates the quantity of sugar canes that are going to send to a chest is 3 million tons. In 2017/2018 crop year, the quantity of bagasse is going to be enough for being fuel in the generating electricity with full of production capacity.

3.5 Future Plan

In 2016, BSG realizes the potentiality of the organization and seeks for the chances to expand and develop business continuously, therefore, BRR proposed to the shareholders' meeting to set up the Power Plant Infrastructure Fund ("the fund") by the selling the rights in the net income from the power plant businesses of the Company's subsidiaries for the period no longer than 19 years in order to raise approximately 3,600 million baht to be used in the expansion of power plant businesses, the refined sugar manufacturing plant and the other businesses as appropriate which was approved as proposed. However, the fund is currently in the consideration for approval process of Securities and Exchange Commission of Thailand (SEC).

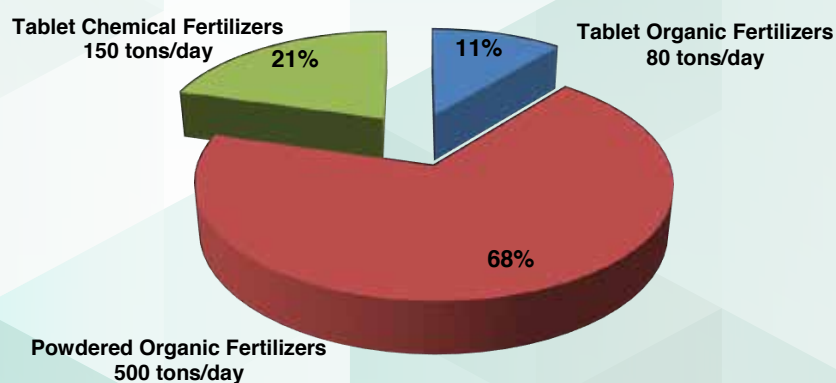
3.2 Organic Fertilizer Production Business operated by Key Brand Fertilizer ("KBF")

3.2.1 Products and Services

The Fertilizer Company Limited or KBF registered in the year 2011, and currently, the 15 million baht of its registered capital has already paid up .KBF has operated its production business and sold the organic fertilizer on December 2012 by using the decomposed filter product, which is a by-product of the sugar production of the company group as the raw material in the production of organic fertilizer and started producing chemical fertilizers a year later to respond to the farmers' need to nurture their sugar canes.

That the KBF factory is located in the nearby area to Buriram Sugar Factory is to facilitate the transport of raw materials, a decomposed filter product, which is the main product in manufacturing the fertilizer and to save the cost of freight charge .KBF manufactures and distributes three types of fertilizer which are granular organic fertilizer, powdered organic fertilizer and granular chemical fertilizer.

*Comparison of average production capacity of each type of fertilizer
produced and distributed by KBF*



3.2.2 Marketing and Competition Situation

➤ Marketing and Competition Situation

The main goal of running this business of KBF is to provide the sugarcane-farmer the best fertilizer and appropriate price so as to reduce the capital in manufacturing of the farmers and to value the production per Rai, which will make the sugarcane farmers gain more money per the product they can produce.

■ Good Products and Suitability for Each Piece (Plantation)

KBF aims to grow high quality sugar cane as well as increase the number of harvest per rai. The company and BRD have conducted research and developed fertilizer formulas in order to meet the best formula that suits the soil and crops in each plot. Last year, KBF encouraged the use of powdered organic fertilizer in sugar cane plots with the objective to increase the organic substance in the soil. According to the analysis of the soil condition, the majority of the area was composed of sandy soil, of which organic matters are severely scarce. Moreover, farmers were still short of knowledge and proficiency in terms of utilizing the powdered organic fertilizer. KBF then provided them powdered fertilizer distributors to facilitate sugar cane farmers and encouraged them to use proper fertilizer for the soil which resulted in the increase of the circulation of powdered organic fertilizer.

Furthermore, KBF has invested in installing fertilizer-manufacturing machines that accommodate production of different formulas and allow the thorough quality control of every package. The products can be applied to several industrial crops given that before introducing them to the market, KBF had already carried out research and experiment in the demonstration plots with the purpose of studying and keeping track of the growing rate of sugar cane in response to the fertilizer. Once it was proved that the product was effective, KBF then suggested it to the farmers. Throughout the years, KBF products have created positive outcome in terms of sugar cane growth rate by strictly complying with the quality standard stated in the fertilizer act B.E. 2518 and provided low-cost nourishment for crops that has been very well received by sugar cane farmers.

Establishing Distribution Centers in Every Supporting Center

KBF has conjoined BRD establishing the goods distribution center across the support area in order to facilitate the farmers to get support from the company, which is another way of supporting business affiliates. This is because when the farmer has the facility to purchase travel and get the fertilizer, they can improve the soil in the right time and appropriate for the condition of soil which not only will boost the quality and productivity of crops per rai, but also benefit the company in terms of sufficiency and superiority of the raw material.

3.2.3 Customer Features and Distribution Channels

1) Sugarcane Farmer of BRD

Currently, KBF supplies powdered organic fertilizer and granular chemical fertilizer accounted for 100% to Buriram Sugarcane Research and Development Co., Ltd. (BRD) and granular organic fertilizer for 37.1% of the total granular organic fertilizer to the company to distribute to sugar cane farmers later to BRD. Then, BRD will subsequently sell them to the sugarcane farmers by supporting production factor or giving advance credit so that they can lower the production cost. At the same time, with these fertilizers, their production per Rai will be high and has the good quality, and also, this will make them be able to bring their products to the factory to compensate the advance credit that support by BRD, which is beneficial to both the company and the sugarcane farmers.

79% of KBF's products have been sold to BRD to resale to cane growers. This is to assist them in their cultivation, since they will all get an access to the fertilizer. KBF, therefore, initiated 11 distribution centers in sugar cane promoting area of BRD in Buriram province as follows:

Promotion Zones	Distribution Center
1	Ban Saw Ae, Khu Muang District
2	Ban Nong Khrue, Muang District
3	Ban Nong Khaw and Ban Nong Chan, Stuek District
4	Ban Lakor, Stuek District
5	Ban Lamthamenchai, Lamphaimas District
6	Ban Na Sinual and Ban Lung Muang, Lamphaimas District
7	Ban Nong Phai and Ban Sawaitana, Stuek District
8	Ban Samet and Ban Thungwang, Stuek District
9	Ban Chai Dan and Ban Kra Dueng, Nangrong District
10	Ban Palad Puk and Ban Dan, Ban Dan District
11	Ban Chompra, Satuk District

2) External Market

KBF has expanded its products to the external market, starting from the area close to the factory, and has been distributing granular organic fertilizer for approximately 62.9% of the total quantity. In the past year, KBF initiated a market plan for granular organic fertilizer by creating distribution channels via numerous agricultural shops so that farmers can try KBF's high quality and low-cost products. Moreover, it helps with the branding strategy among general farmers. As of 2016, KBF has promoted its products in 22 districts: 11 districts in Khon Kaen province, 6 districts in Loei province, 4 districts in Kalasin province and 1 district in Maha Sarakham province.

3.2.4 Price Policy

Since the chemical fertilizer and organic fertilizer are the production factor that BRD supports the farmers, specifying the fertilizer's price is divided into 2 cases; the prices of the instant chemical fertilizers, which are purchased in to sell out, will follow the price of the general market, while the prices of the organic fertilizer produced by the company itself are decided by considering from the production capital)Cost Plus Method .(This is to provide the farmer the better quality fertilizer with the formula to suit their needs in the growth of the sugar cane, with the cheap price, and in reducing the capital for the farmer.

3.2.5 Marketing and Promotion Plan

KBF, together with BRD, a partner company, has regularly organized many kinds of campaigns by designing the business plan and also performing the trading supporting activity together .The KBF's trading supporting team will work together with its partner company in each area to study the cultivated area, learn on-site problems, analyse and solve the problems together and also adjust the decided plan suiting the needs of each area .Besides, KBF has the plan to broadcast its products through various channel, such as KBF and BRR's website the local cable TVs, community radios, and local newspapers . Additionally, the trading supporting team will evaluate or follow the growth of the sugar cane periodically to make the products be recognized and to grasp the farmer the product's symbol; this is to make the product be more dependable, which will emphasize the farmer to trust the products of the company .

3.2.6 Industry Situation and Competition

Obviously, the chemical fertilizer industry is one of the most important industries of the country because Thailand, as we all know, is the agricultural country since the fertilizer plays an important role in increasing the agricultural products. However, Thailand cannot produce enough fertilizers to suit the farmers' needs because its producing capital is very high, so mostly importing those fertilizers from overseas is the best solution.

The Ministry of Agriculture and Cooperatives continue to educate farmers in the use of the chemical fertilizer and organic fertilizer to cause the balance and suitability of the soil conditions and encourage the farmers to mix the chemical fertilizers themselves. This is to promote the farmers to benefit the left-over products (farm wastes) as their own fertilizers. Furthermore, the Ministry of Agriculture promotes the integrated use of fertilizers, that is to say, the farmers can use in conjunction with the chemical fertilizer, organic fertilizer, and/ or bio-fertilizers at an appropriate rate suiting to each plant. Additionally, the use of the mixed fertilizers can reduce the use of chemical fertilizers and it also helps add other organic objects in the soil, making it more naturally plentiful. Actually, this is one of the measures in place to help reduce production costs for farmers because, as we all know, the chemical fertilizer is one of the important production factors that affect the farmer's production costs.

In 2016, agriculturists in Thailand had faced with a long drought and a slump in price of agricultural products. Consequently, the government encouraged organic farming with the focus on the healthy consumer market. In addition, the price of organic products is higher than the normal ones which is directly advantageous to KBF's business in the organic fertilizer market.

For fertilizer's price, since Thailand is not yet able to produce the chemical fertilizers to support the farmers' needs across the country. So, it is required to import from the country that can manufacture the chemical fertilizer. However, the Ministry of Agriculture and Cooperatives will have to keep track of the fertilizer's prices to make sure that they are suitable for the farmers and also to protect them from such exploitation.

3.2.7 Raw Material Supply

The KBF has used the decompose filter, which is a by-product of the sugar production from the BSF as its raw materials to produce the fertilizer production. In addition, the decompose filter is accounted for about 5 % of the quantity of the sugar cane in the production of each year operation.

3.2.8 Future Plan

Presently, the production and distribution plan of KBF's fertilizer is implemented due to the need of sugar cane farmers who have been supported by BRD. The company uses the raw material, which is a byproduct of sugar production process to manufacture fertilizers with the purpose of decreasing the production cost while increasing its value at the same time. However, KBF has continuously aspired to develop the organization and enhance the product quality. The company has planned to extend the market and distribution channels, as well as selling machines along with other agricultural products that will help escalate the revenue. To achieve these objectives, two main missions need to be considered.

1. **To strengthen the manufacturing efficiency and the fertilizer distribution to the internal market by producing diversified formulas that can adapt to individual type of soil.**

To facilitate the sugar cane cultivation on different types of soil and other conditions found in each plot, KBF has collaborated with BRD to conduct studies which will help improve the productivity and quality of crops by providing tailor-made fertilizers according to the condition of separately cultivated area. As every sugar cane growing area presents different nature of soil, using the same fertilizer formula may not be entirely competent. With this reason, KBF is determined to respond to the in-depth sugar cane cultivation promotion policy by producing distinct formulas that can accommodate the farmers' need.

2. **To increase selling efficiency to the external market by distributing integrated agricultural products**

KBF has incessantly developed the effective production of granular organic fertilizer and will continue to do better to satisfy the farmers' need. At present, KBF is studying the production of organic chemical fertilizer, which is another product that will meet the needs of the external market. Moreover, the company plans to sell integrated agricultural products and equipment such as liquid fertilizer, liquid microbe and agricultural machinery to bring variety to the business which will advance the quality of farmers' products. In addition, there will be the increment of distribution channels to the external market in order to generate more profit for the company. To reach that goal, KBF has already registered a new brand "*Pla Bin*" (Flying Fish) to support the forthcoming business expansion.



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 Buriram Power Plus Co., Ltd. ("BPP")
 - 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")

1. Risk from Business Operation of Buriram Sugar Factory Company Limited ("BSF")

1.1 Risk Factors from Raw Material Sourcing

BSF produces and distributes raw sugar and brown sugar which use sugarcane as a main raw material. However, BSF does not own sugarcane farm sufficiently for production capacity, thus to allocate sufficient sugarcane 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) The risk from changes of the amount of planting areas which may cause by the decrease of the sugarcane price affecting to the farmers to grow other agricultural plants that gain the higher price instead or the government supporting policy to appropriately allocate the planting zone, also known as zoning. Nevertheless, Buriram province is one of the pioneer areas to switch from rice to sugarcane plantation according to the policies issued by Ministry of Agriculture and Cooperatives. Additionally, the Company has conducted the surveys for evaluating the changed factors and also solved those problems since 2012 until 2016 (present). Hence, the amount of the sugarcane plantation has gradually increased every years, the details are as follows;

Crop Year	2012/13		2013/14		2014/15		2015/16		2016/17 (Forecast)	
	Sugarcane Plantation (Rai)	Average Production (Ton/Rai)	Sugarcane Plantation (Rai)	Average Production (Ton/Rai)	Sugarcane Plantation (Rai)	Average Production (Ton/Rai)	Sugarcane Plantation (Rai)	Average Production (Ton/Rai)	Sugarcane Plantation (Rai)	Average Production (Ton/Rai)
Buriram Province	188,946	11.09	200,112	11.29	200,941	11.09	210,919	10.00	210,962	10.00
All areas in Thailand	9,487,320	11.32	10,078,025	11.24	10,530,927	11.08	11,012,839	9.15	11,080,364	9.15

Source: Office of the Cane and Sugar Board

Note: 6.1 Rai = 1 hectare

(b) The risk from Climate change, rainfall, irrigation, soil fertility, sugarcane varieties and other sugarcane diseases affects to the crop yield of sugarcane per Rai. The changes of each factor can cause agricultural output diminution. According to these factors, the Company has supported the watering system during dry season through drip irrigation system in sugarcane farm by cooperating with The Office of the Cane and Sugar Fund. As the result, the Company has been offered long-term loan with 2% interest rate per annum for irrigation development.

(c) The risk from soil fertility. The Company has the policies which focus on soil improvement to recover the soil fertility in sugarcane plantation areas, for example, harvesting freshly sugarcane, preserving organic matter, adjusting pH for fertilizer efficiency and using filter cake-based fertilizer which is a byproduct of the Company's sugar production. Since the policy implementation, the agricultural output of sugarcane has been increased gradually from 8-9 tons/Rai during 2004-2010 to 12-13 tons/Rai during 2011-2016.

(d) The risk from sugarcane varieties. The Company has carefully chosen sugarcane varieties which are appropriate for the plantation areas and also provide the sugarcane varieties testing area for the selection of new sugarcane variety in order to replace deteriorated ones to provide higher crop yield and sugar per ton as well as the higher returns for farmers.

(e) The risk from the purchasing competition of local sugarcane. If other sugar factories in local areas offer higher price of sugarcane than BSF's, the farmer may trade their sugarcane to those factories instead therefore the amount of cane crush will be decreased respectively.

As the result, BRD provides the solution for this matter through conducting the contract farming between the Company and farmers by providing fund, fertilizer, chemical, sugarcane variety, or other agricultural machines in the plantation of 50 kilometers around the factory in order to legally transfer the rights of the products to the Company in advance before cane crushing season. Additionally, BRD aims to keep good relationship with farmers through using the support strategies by providing 17 teams of agriculture specialists to give advices to farmers in individual planting areas, for example, recommend suitable sugarcane variety for each plantation, manage and examine soil and water condition and support all facilities in the crop period from material preparation to harvesting and sell to BSF by using online and GPS system to ensure that every sugarcane plot is monitored and supported appropriately so that farmers can produce the quality productions and gain more crop yield per Rai which means that farmers will gain more revenue and stable household economic status. As the results, BSF has not encountered the insufficiency of sugarcane in cane crushing season.

Nevertheless, the Company has allocated the sugarcane plantation or zoning among sugar factories in Buriram province, Surin province and Nakhonratchasima province in order to prevent the purchasing competition of sugarcane.

1.2 Risk from Fluctuation in Global Sugar Market Prices

Regarding to sugar trading in global market, sugar is one of the agricultural products which have the highly price fluctuation compared to other agricultural products. The fluctuation in global sugar market price depends on demand and supply of manufacturing and consuming countries, the export and import volume in each country, the arbitrage by arbitrageurs in commodity market and the proper climate for planting in each countries which issued the support policies, trade invention policies, export and import policies of sugar industry group from government especially for developed countries. Furthermore, sugar price currently corresponds to fuel price since cane juice and molasses can be used to produce ethanol which can be mixed with oil for automobile fuel. The factors as mentioned above affect to the fluctuation in global sugar market prices.

According to The Sugarcane and Sugar Act, B.E. 2527, Thai sugar factories can export sugar through agencies as indicated only, depending on the quotas allocated for export and

domestic sale which refer to the amount of sugar produced in each crop year, therefore, the ratio of export and domestic sale of Thai sugar factories is quite similar. In 2015-2016, the export revenue of the Company is equivalent to 80% and 78% of the total revenue respectively. The export price is primarily based on global sugar market price which has been changed pursuant to global demand and supply. Hence, the revenue of the Company shall be affected according to the global changes. As in 2016, the price of New York sugar No.11 averaged 16.49 cent/pond.

Average Price of New York Sugar No.11

Fiscal year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Average Price (Cent/Pond)	14.63	9.9	12.1	17.98	22.28	27.07	21.57	17.47	16.34	13.12	16.49

Average Price of London Sugar No.5

Fiscal Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Average Price (US\$/Ton)	421.66	309.55	351.59	487.39	616.49	706.07	587.74	496.58	439.30	376.32	458.32

Source: Bloomberg

Nevertheless, the main cost of sugar production is sugarcane price which is changed according to the revenue of the Company. (70:30 Profit Sharing System set up by Thai government and regulated by the Office of the Cane and Sugar Board). Therefore, if the global sugar market prices decrease, the sugarcane cost will be decreased in the ratio as of 70% pursuant to the Profit Sharing System which can minimize the effects of sugar price fluctuation.

In the past, the operating results of the Company depends on the business of sugar and molasses only which means that the fluctuation of global sugar market price has the influence on the operating results of the Company definitely. However, in order to minimize this effect, the Company aims to invest in many projects which relate to the developed and value-added business from sugar and by products particularly, molasses; for instance, biomass power plant by using bagasse and cane trash as the main raw material for fertilizer production and distribution business.

1.3 Risk from Non-Performing Loans on Sugarcane Advance Payment Loans

BRD/BSF supports the sugarcane farmers by providing the sugarcane advance payment loans in individual planting areas according to each step of crop-growth period by using the database and GPS (Global Position System) to survey the plantation in order to assure that each area is exactly supported and monitored appropriately.

The support from sugarcane advance payment loans is paid by post-dated cheque so that the farmers shall spend the investment in term of sugarcane variety, land, watering system, fertilizer and so on. This kind of advance payment loan is similar to the reservation of sugarcane in advance which is that the farmers who are provided the advance payment loans have to sell the sugarcanes only to the Company after harvesting, in the period of cane crushing season. Those farmers shall harvest and send to the Company accordingly, after that the Company will pay the returns to the farmers by deducting from the sugarcane advance payment loan. As the result, the Company has the risk from this kind of non-performing loan if the farmers cannot send the crops as engaged which may be caused by the drought or plant diseases and so on. Therefore, if the expense from the doubtful accounts increases, the operating results of BSF shall be affected directly. In 2012 to 2016, the Company had projected the allowance for doubtful accounts as follows:

(Unit: Million Baht)

	2012	2013	2014	2015	2016
Allowance for Doubtful Account	-	20.33	1.05	3.44	79.86
Farmers Account Receivable	975.21	1,135.29	880.68	989.21	1,069.92
Percentage of Doubtful Account	-	1.79	0.11	0.34	7.46

The ratio of allowance for doubtful account during 2012 to 2016 was approximately 1.94% of farmers account receivable at the end of the accounting period. The Company emphasized this advance payment loans and managed its risk through specify the qualification of farmers and classify them according to their performance so that the loan payment shall be offered and paid into performance terms, in addition, the securities or guarantor specification are also taken into account as well. Besides, the Company also provided the agricultural specialist teams to look after the planting process and used GPS to survey the planting areas in order to precisely collect the data in real time and solve the problems in time.

1.4 Foreign Exchange Risk

The Company has recognized the export revenue in term of US Dollars (USD), approximately equivalent to 77% of total sugar selling revenue, therefore, the revenue of the Company shall be fluctuated according to the exchange rate of USD/THB (Thai Baht)

Therefore, the Company hedges the foreign exchange risk with forward contracts. The exchange currency rate in forward contract shall be higher than the rate specified by Thai Cane and Sugar Company Limited in calculation of quota B sugar; however, this matter depends on the consideration of executives about the trend of exchange rate at that time. Nevertheless, the exchange rate hedging will not be effective if THB appreciates continuously in long period.

1.5 Risk from Governmental Control

1.5.1 Risk from Government Policy

The sugarcane and sugar industry in Thailand is regulated by the Office of the Cane and Sugar Board under the Cane and Sugar Act B.E.2527 which is the law concerning to the governance of sugarcane and sugar industry of Thailand; such as, sugarcane farming management, the production in factory, sugar export, the allocation of sugar quota (classified into 3 types which are Quota A for domestic sales, Quota B and Quota C for export), retail price for domestic sales and the 70:30 Profit Sharing System between farmers and sugar plants.

The 70:30 Profit Sharing System is calculated from the price of Quota B distributed by Thai Cane and Sugar Company Limited as the standard price in order to calculate the total export revenue of country and add it with the total revenue from domestic sale as well as the molasses; therefore, it will be total revenue of sugar industry. Then, the production and distribution cost will be deducted to forecast the profit. The profit shall be allocated to the ratio of 70:30. 70% will be divided by the total amount of sugarcane in that crop year for pricing the selling price of sugarcane; therefore, the 70:30 Profit Sharing System shall generate the consistency in the sugar industry which can minimize the risk from the fluctuation of raw material price and sugar price to all sugar manufacturers in the country.

Nonetheless, Minister of Industry, Minister of Agriculture and Cooperatives and Minister of Commerce are responsible for control and regulations according to the laws. Therefore,

the price adjustment in the domestic sale, the regulation changes or the amendment of Act shall significantly affect to operating results of the Company as well as other companies in the sugar industry.

There is a possibility to loosen the restriction in the sugarcane and sugar industry in order to create free trade in accordance with the agreement on other countries; for example, ASEAN Free Trade Area, Bilateral Free Trade Agreement, Regional Comprehensive Economic Partnership as well as multilateral framework such as world trade organization (WTO). Trade liberalization is the chances and challenges for sugarcane and sugar industry which should pay attention closely.

Nevertheless, the sugarcane and sugar industry is the agricultural industry as well as a primary industry of food and beverage and also the export industrial crop. The regulations and policies issued by the government in the past aim to develop the industry in country including the farmers' lives as well as sugar factory economic status therefore it can be convinced that the regulations which may be changed are likely the positive supporting policies on industry, farmers and sugar factories.

1.5.2 Risk from the Fluctuating Income from Sugar Sales

According the cane crushing period is in the period of November to April, the Company gradually sells sugar since December until January to the end of cane crushing season. However, the Company will sell Quota A for domestic sales within 52 weeks. Moreover, Quota C for export will be distributed according to the existing amount of sugar, crop yield, global sugar market price and the selling price of Quota B sugar set by Thai Cane and Sugar Company Limited in order to standardize the selling price of Quota C sugar.

Nevertheless, the amount of sugar sale in each quarter year over year is different therefore the income from sugar sales in each quarter shall be fluctuated according to these factors as mentioned.

1.6 Risk from the Cost of Raw Materials

The price of sugarcane is formulated in the profit allocation of 70:30 Profit Sharing System. The farmers gain 70% of profits from sugar sales. The calculated sugar price on the sugarcane price that has to pay to farmers is from average selling price formulated by Thai Cane and Sugar Company Limited, therefore, if Thai Cane and Sugar Company Limited sell the sugar in higher price, the cost of raw materials will be increased respectively, whereas, if Thai Cane and Sugar Company Limited sell the sugar in lower price, the cost of raw materials will be decreased respectively. The fluctuation of raw materials cost will affect to the profit margin of the Company as well.

Consequently, in order to minimize this risk, the Company has to sell sugar in higher price than the average price formulated by Thai Cane and Sugar Company Limited to prevent losses from the increasing price of raw materials. As the results, the Company has to follow the sugar sales news from Thai Cane and Sugar Company Limited closely for pricing appropriately.

2. Risk from Business Operation of Byproducts

2.1 Biomass Power Plant Business operated by *Buriram Energy Company Limited (BEC)*, *Buriram Power Company Limited (BPC)* and *Buriram Power Plus Company Limited (BPP)*

2.1.1 Risk from Insufficiency of Fuel Material for Electricity Generation

Currently, BSF provides the bagasse which is the byproduct of sugar manufacturing to BEC, BPC and BPP as a biofuel material for electricity generation. Therefore, if the amount of sugarcane in the crop year is small, it will affect to the insufficiency of bagasse for electricity generation and the break-off of the generator accordingly. The amount of bagasse from the sugar production of the Company is approximately 26% of total weight of sugarcane crushed. In the crop year of 2016/2017, the Company produced bagasse approximately 650,000 tons in which the sugar factory used as fuel in amount of 250,000 tons for heat generation in sugar production process, whereas, the capacity of each power plants is 9.9 MW., which requires the fuel material in amount of 430 – 500 tons per day or equivalent to 150,000 tons per year. However, the Company plans to supply the additional sugarcane leaves from farmers in amount of

40,000 tons which is sufficient to generate electricity, on the other hand, if the amount of cane crushing is less than 2.50 million tons, the amount of bagasse will not sufficient for full capacity of electricity generation.

Additionally, the machine of the Company can be substituted by other fuel materials, such as woodchip, rice husks or sugarcane leaves to generate electricity. In the crop year of 2016/2017, the Company purchased the additional sugarcane leaves from more than 20,000 households of the sugarcane farmers. The advantage from using sugarcane leaves as fuel material is that the moisture level of sugarcane leaves is quite lower than bagasse which can be satisfactory used for electricity generation; therefore, this risk can be minimized properly. Nonetheless, the using of other raw materials will increase the cost of electricity generation which definitely affected to the net profits accordingly.

2.1.2 Environmental Risks

The operation of power plant is under the Acts and regulations concerning to the environmental protection and management which is included the pollution control. Thorough the period of business operation, the Company has followed these measures to protect and prevent any kinds of environmental impacts, for example, the water drainage system, the control system of substances, wastewater management system and waste elimination system. The Company also provides green space or open space reserve within the area of power plant location, totaling 25 Rai, as well as the following and verifying the operation in term of environmental impacts closely in order to regulate the electricity generation process pursuant to laws and regulations concerning to the pollution deduction such as the using of the wet scrubber system.

In July 2012, BEC was awarded the Green Industry Level 2 (Green Activity) and promoted to level 3 (Green System) in July 2016 and also certified by ISO14001:2004 in March 2016. Furthermore, BPC was promoted from Green Industry Level 1 (Green Commitment) in 2015 to Level 2 (Green Activity) in April 2016. These certificates can be explained that the Company emphasizes the environmental management systematically and assesses as well as review the practices continuously by Provincial Industry Office and Provincial Industrial Estate Authority

2.2 Manufacturer and Distributor of Fertilizer operated by *Key Brand Fertilizer Company Limited* (KBF)

2.2.1 The Risk from Existing Consumption Behaviors

KBF was initiated the business of organic fertilizer manufacturer in order to provide the soil improvement and nutrition since December 2012. The target customers are mostly the sugarcane farmers. The sugarcane farmers have more understanding and knowledge about the soil improvement by organic substance and soil pH adjustment by Dolomite which increase the efficiency of chemical fertilizer and highly improve the physical and chemical property of soil. However, the sugarcane farmers have found the problem from the using of powdered organic fertilizer in the planting area. Therefore, KBF has cooperated with BRD to solve this problem by changing the method to apply the powdered organic fertilizer through designing the Big Bag packages and use the raising sugarcane truck to lift the Big Bag and put into the fertilizer application machine. According to this method, the farmers can apply the powdered organic fertilizer in the planting area very closely. Furthermore, the Company also conveys the knowledge of organic fertilizer and takes tour the demonstration farm that applied the organic fertilizer, including the academic information support which influenced the changes of farmers consuming behaviors to increasingly apply the powdered fertilizer.

2.2.2 Environmental Risks

The business operation of fertilizer manufacturer and distributor for soil improvement is under laws and Acts B.E. 2518 and its amendment No.2 B.E. 2550 concerning to the quality control to sustain the benefits for farmer and agricultural industry which included the pollution control, waste management, health and safety in workplace and dangerous material management. These regulations are complicated and have been changing continuously; in addition, the law enforcement sometimes depends on the individual interpretation by relevant departments

In the past, KBF received the factory establishment license and the fertilizer manufacturing license pursuant to the laws and relevant regulations. Additionally, KBF also set the measures of environmental protection and prevention for employees and surrounding areas such as the utilization of dust collector chamber, wet scrubber system, water cannon vehicle and providing

soundproof headband to reduce acoustic impact including participating CSR activities in order to sustainably develop the community. The manufacturing plant of KBF is located far away from community areas therefore it can be assured that the environmental risk is quite low.

3. Other Risks

3.1 The Risk from High Debt to Equity Ratio (D/E Ratio)

According to the financial statement year ended on December 31, 2015 and December 31, 2016, the D/E ratio of the Company is equivalent to 2.18% and 2.45% respectively. However, the Company is a holding company therefore the bank loan agreement currently signed by the subsidiaries which has been operated such as BSF, BEC and BPC in which each subsidiary calculated and maintained D/E ratio separately. On December 31, 2015, D/E ratio of BSF, BEC and BPC are in compliance with bank loan contracts. Regarding to the capital raising in Stock Exchange of Thailand, the D/E ratio of the Company was decreased, therefore, the risk related to D/E ratio of the Company was also decreased as well. Nonetheless, the bank loan agreement is not written or defined that the Company and its subsidiaries has to maintain other financial ratio properly, except for D/E ratio.

3.2 The Risk from the Influences of Major Shareholders on Policy Formulation and Administration

The family of Tangtrongwechakit and Buriram Capital Company Limited, in which the major shareholders is the family of Tangtrongwechakit, holding shares by 74.32% of registered capital which was issued and paid-up after offering the ordinary shares. In addition, the family of Tangtrongwechakit has taken positions of the executives and authorized directors. The Company and/or the minor shareholders may have the risk from the influences of major shareholders on policy formulation and administration somehow, for example, the policy and management control, approval voting control in the shareholders' meeting which requires the majority votes, except for any agenda which required three-fourths of total votes from the shareholders' meeting. Therefore, other shareholders may not control the votes to balance the power of major shareholders.

Nevertheless, according to the transparency, accountability and the power balance of the executives and directors, the Company currently set up the Department of Internal Audit regulated by Audit Committees and auditing outsource companies to audit and balance the power in term of the approval of any agenda before proposed to shareholder's meeting in order to prevent the conflict and the transparency of operation. Additionally, the department of Risk Management was set up and regulated by Risk Management Committees to manage all of the risks in the organization by setting up the risk management plan as needed.



9 Securities and Shareholder

(1) The Company's Securities

- Registered Capital: 676,750,000 Baht.
- Issued and Fully Paid Share Capital: 676,750,000 Baht
(Comprising 676,750,000 Ordinary Shares)
- Par Value: 1 Baht/ Share
- None Other Types of Shares,
Except Ordinary Shares

(2) Shareholders

The Company's number of shareholder as shown in the share register book on December 16, 2016 as follows;

Shareholder Nationality	Number of Shareholder	Amount of Share	Percent of Share
Thai Shareholders	2,589	676,750,000	100
Foreign Shareholder	0	0	0
Total	2,589	676,750,000	100

- **Major Shareholder**

List of the Company's top ten major shareholders by dividing into family groups as follows;

	Name of Shareholder	Number of Share	Percent of Share
1.	<u>Tangtrongwechakit Group</u>	<u>502,982,100</u>	<u>74.32</u>
	Buriram Capital Co., Ltd.	338,380,000	50.00
	Mr. Anant Tangtongwechakit	27,507,500	4.06
	Mrs. Wanphen Punyaniran	27,407,500	4.05
	Mrs. Jirawan Pongpichitkul	27,407,500	4.05
	Miss Chittima Tangtrongwechakit	27,407,500	4.05
	Mr. Sarit Tangtrongwechakit	27,407,500	4.05
	Mr. Adisak Tangtrongwechakit	27,407,500	4.05
	Mrs. Sureewan Tangtongwechakit	21,100	0.00
	Miss Kornkanok Punyaniran	36,000	0.01
2.	<u>Sareewiwatthana Group</u>	<u>42,473,600</u>	<u>6.28</u>
	Miss Pitsinee Sareewiwatthana	16,008,000	2.37
	Miss Pimsiri Sareewiwatthana	15,000,000	2.22
	Mrs. Waranee Sareewiwatthana	8,417,400	1.24
	Mr. Paiboon Sareewiwatthana	3,048,200	0.45
3.	Mr. Nattaphat Khahanurak	10,250,600	1.51

4	<u>Shartpinyo Group</u>	<u>11,968,300</u>	<u>1.77</u>
	Miss Jutirat Shartpinyo	8,120,300	1.20
	Mr. Utain Shartpinyo	3,848,000	0.57
5.	<u>Brahmasakha Na Sakolnakhon Group</u>	<u>8,163,850</u>	<u>1.20</u>
	Mrs. Sulee Brahmasakha Na Sakolnakhon	4,274,450	0.63
	Mr. Saranwit Brahmasakha Na Sakolnakhon	3,889,400	0.57
6.	<u>Techathiphakorn Group</u>	<u>5,632,700</u>	<u>0.83</u>
	Mr. Somsak Techathiphakorn	3,241,900	0.48
	Mr. Piti Techathiphakorn	2,112,800	0.31
	Miss Supreeya Techathiphakorn	164,000	0.02
	Mr. Preecha Techathiphakorn	114,000	0.02
7.	Mr. Sutthipong Veswarut	2,926,700	0.43
8.	Mr. Jiramete Pornpattanjirapan	2,852,200	0.42
9.	Miss Ratchanee Ruengsupharat	2,750,000	0.40
10	Mr. Kiatichai Limpichotipong	2,570,000	0.38
Total		592,570,050	87.56

Remarks: Buriram Capital Co., Ltd. is a holding company that has Baht 339,380,000 registered capital by dividing into 3,393,800 ordinary shares, par value Baht 100 per share. Shareholder name list as of December 31, 2016 is as follows;

Name of Shareholder	Number of Share	Percent of Share
1. Mr. Anant Tangtongwechakit	576,945	17.00
2. Mrs. Wanphen Punyaniran	563,371	16.60
3. Mrs. Jirawan Pongpichitkul	563,371	16.60
4. Miss Chittima Tangtrongwechakit	563,371	16.60
5. Mr. Sarit Tangtrongwechakij	563,371	16.60
6. Mr. Adisak Tangtrongweachakit	563,371	16.60
Total	3,393,800	100.00

- **Minor Shareholders** (As of December 16, 2016)
Total number of minor shareholders (Free float) is 2,577, equivalent to 25.57%

(3) Major Shareholder Agreement

The major shareholder group has significant influence on the Company's policy and strategy establishment, management and operation. Nevertheless, the Company has no shareholder agreement between the major shareholders on matters affecting the issuance and offering of securities or the management of the Company.

(As of December 16, 2016)

Major Shareholder	Number of Share	Percent of Share
<u>Tangtrongwechakit Group</u>	<u>502,982,100</u>	<u>74.32</u>
Buriram Capital Co., Ltd.	338,380,000	50.00
Mr. Anant Tangtongwechakit	27,507,500	4.06
Mrs. Wanphen Punyaniran	27,407,500	4.05
Mrs. Jirawan Pongpichitkul	27,407,500	4.05
Miss Chittima Tangtrongwechakit	27,407,500	4.05
Mr. Sarit Tangtrongwechakit	27,407,500	4.05
Mr. Adisak Tangtrongwechakit	27,407,500	4.05
Mrs. Sureewan Tangtongwechakit	21,100	0.00
Miss Kornkanok Punyaniran	36,000	0.01

(4) Major Shareholders of Subsidiary

Buriram Sugar Factory Co., Ltd.'s shareholder name list is as follows;

	Name of Shareholder	Number of Share	Percent of Share
1	Buriram Sugar Public Company Limited	10,490,000	99.904
2	Mr. Anant Tangtongwechakit	1,666	0.016
3	Mrs. Wanphen Punyaniran	1,666	0.016
4	Mrs. Jirawan Pongpichitkul	1,666	0.016
5	Miss Chittima Tangtrongwechakit	1,666	0.016
6	Mr. Sarit Tangtrongwechakit	1,666	0.016
7	Mr. Adisak Tangtrongwechakit	1,666	0.016
8	Mrs. Pakinee Tangtrongwechakit	4	0
	Total	10,500,000	100

Buriram Sugarcane Research and Development Co., Ltd.'s shareholder name list is as follows;

	Name of Shareholder	Number of Share	Percent of Share
1	Buriram Sugar Public Company Limited	708,794	100
2	Mr. Anant Tangtongwechakit	1	0
3	Mrs. Wanphen Punyaniran	1	0
4	Mrs. Jirawan Pongpichitkul	1	0
5	Miss Chittima Tangtrongwechakit	1	0
6	Mr. Sarit Tangtrongwechakij	1	0
7	Mr. Adisak Tangtrongweachakit	1	0
	Total	708,800	100

Buriram Energy Co., Ltd.'s shareholder name list is as follows;

	Name of Shareholder	Number of Share	Percent of Share
1	Buriram Sugar Public Company Limited	1,355,993	100
2	Mr. Anant Tangtongwechakit	1	0
3	Mrs. Wanphen Punyaniran	1	0
4	Mrs. Jirawan Pongpichitkul	1	0
5	Miss Chittima Tangtrongwechakit	1	0
6	Mr. Sarit Tangtrongwechakij	1	0
7	Mr. Adisak Tangtrongweachakit	1	0
8	Mrs. Pakinee Tangtrongweachakij	1	0
	Total	1,356,000	100

Buriram Power Co., Ltd.'s shareholder name list is as follows;

	Name of Shareholder	Number of Share	Percent of Share
1	Buriram Energy Co., Ltd.	1,699,994	100
2	Mr. Anant Tangtongwechakit	1	0
3	Mrs. Wanphen Punyaniran	1	0
4	Mrs. Jirawan Pongpichitkul	1	0
5	Miss Chittima Tangtrongwechakit	1	0
6	Mr. Sarit Tangtrongwechakij	1	0
7	Mr. Adisak Tangtrongweachakit	1	0
	Total	1,700,000	100

Key Brand Fertilizer Co., Ltd.'s shareholder name list is as follows;

	Name of Shareholder	Number of Share	Percent of Share
1	Buriram Sugar Public Company Limited	149,994	100
2	Mr. Anant Tangtongwechakit	1	0
3	Mrs. Wanphen Punyaniran	1	0
4	Mrs. Jirawan Pongpichitkul	1	0
5	Miss Chittima Tangtrongwechakit	1	0
6	Mr. Sarit Tangtrongwechakij	1	0
7	Mr. Adisak Tangtrongweachakit	1	0
	Total	150,000	100

Buriram Power Plus Co., Ltd.'s shareholder name list is as follows;

	Name of Shareholder	Number of Share	Percent of Share
1	Buriram Sugar Public Company Limited	1,599,995	100
2	Mr. Anant Tangtongwechakit	1	0
3	Mrs. Jirawan Pongpichitkul	1	0
4	Miss Chittima Tangtrongwechakit	1	0
5	Mr. Sarit Tangtrongwechakij	1	0
6	Mr. Adisak Tangtrongweachakit	1	0
	Total	1,600,000	100

Chamni Sugar Factory Co., Ltd.'s shareholder name list is as follows;

(Former Name: Buriram Super Power Co., Ltd.)

	Name of Shareholder	Number of Share	Percent of Share
1	Buriram Sugar Public Company Limited	49,995	100
2	Mr. Anant Tangtongwechakit	1	0
3	Mrs. Jirawan Pongpichitkul	1	0
4	Miss Chittima Tangtrongwechakit	1	0
5	Mr. Sarit Tangtrongwechakij	1	0
6	Mr. Adisak Tangtrongweachakit	1	0
	Total	50,000	100

Buriram Sugar Capital Co., Ltd.'s shareholder name list is as follows;

(Former Name: Buriram Agro Energy Co., Ltd.)

	Name of Shareholder	Number of Share	Percent of Share
1	Buriram Sugar Public Company Limited	99,995	100
2	Mr. Anant Tangtongwechakit	1	0
3	Mrs. Jirawan Pongpichitkul	1	0
4	Miss Chittima Tangtrongwechakit	1	0
5	Mr. Sarit Tangtrongwechakij	1	0
6	Mr. Adisak Tangtrongweachakit	1	0
	Total	100,000	100

(5) Issuance of Other Securities

The Extraordinary General Meeting of Shareholders No. 1/2015 on September 18, 2015 approved the issuance and offering the 2,000 Million Baht of domestic debentures to use for the project of capacity increasing to 23,000 TCD and other related projects, as well as working capital. The Company issued 2 series* of debentures valuing 850 Million Baht as follows;

Debenture Lot	Total Amount Issue (Million Baht)	Outstanding Debenture (Million Baht)	Maturity Date	Coupon Rate (%)	Credit Rating
1	250	250	Oct 7, 2017	4.55**	BB ⁺
2	600	600	Nov 26, 2017	4.75***	BB ⁺
Total	850	850			

Remarks:

* Debentures were rated by Tris Rating Co., Ltd.

** The Meeting of Debenture Holder No.2/2016 on December 13, 2016 approved to increase the interest rate of the Debenture from 4.30% per annum to 4.55% per annum

*** The Meeting of Debenture Holder No.1/2016 on November 28, 2016 approved to increase the interest rate of the Debenture from 4.50% per annum to 4.75% per annum

(6) 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 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, investment plan and working capital at a particular time.

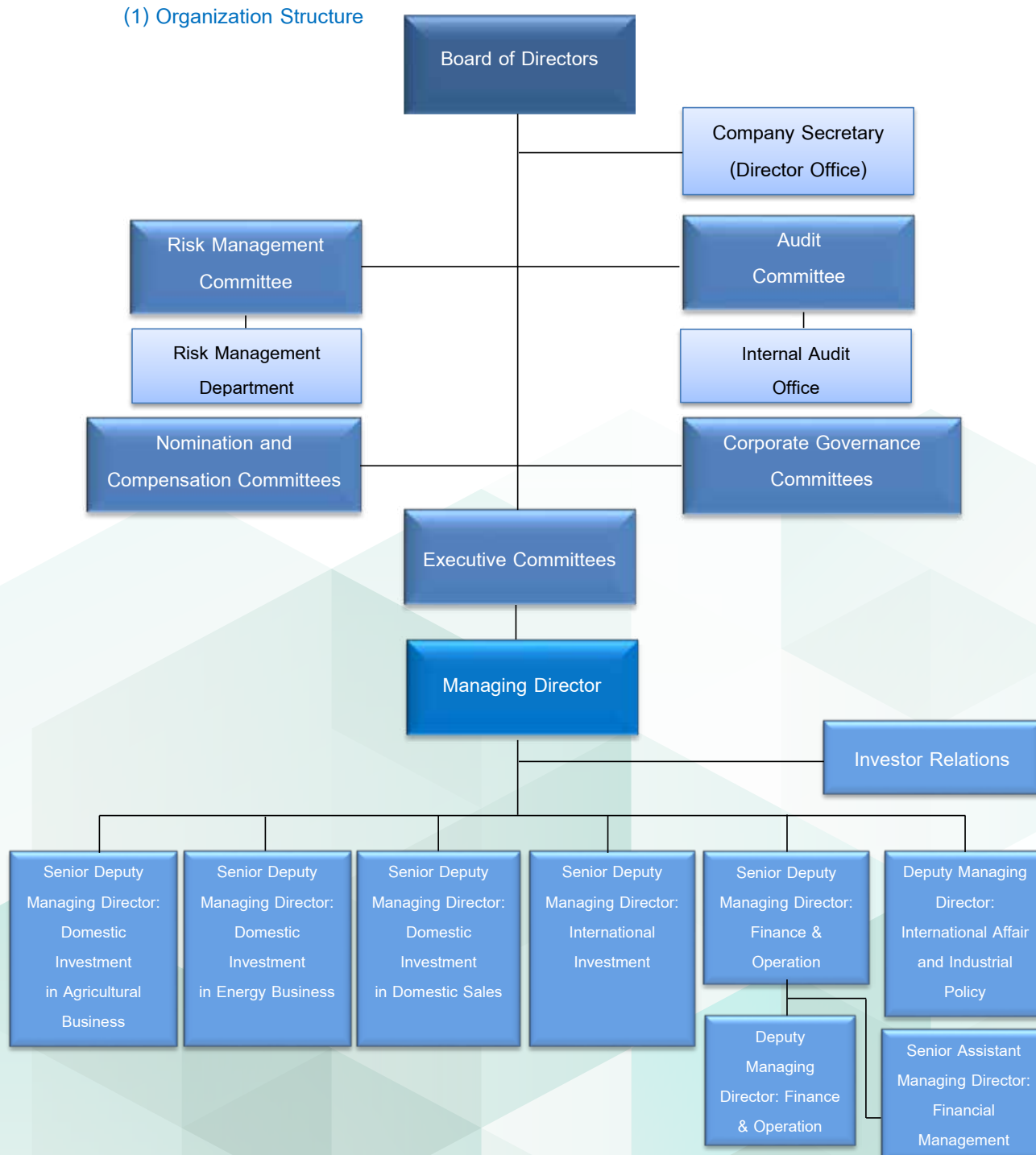
The subsidiaries of the Company places a policy of dividend payment to every shareholder for not less than 50% of net profit declared in the financial statements of each subsidiary after the deduction of corporate income tax, statutory reserve and any other reserves. Whereas dividend payment might be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

Dividend Payment Detail of Year 2014 and 2015

Dividend Payment Detail	2014	2015
1. Net profit from the consolidated financial statement (million Baht)	236.31	272.35
2. Number of share (million share)	676.75	676.75
3. Dividend per share (Baht/share)	0.20	0.22
4. Total dividend payment (million Baht)	135.35	148.89
5. Dividend payment to net income ratio	57.28%	54.67%

Board of Directors had appointed 5 sub-committees which are Audit Committees, Risk Management Committees, Corporate Governance Committees, Nomination and Compensation Committees and Executive Committees in order to take actions in accordance with the particular tasks assigned by BOD to operate the business smoothly in compliance with the principles of good governance by having managing director as the highest level executive of the Company.

(1) Organization Structure



(2) Management Structure

2.1 The Board of Directors

As of 31 December 2016, the Company had 9 members on Board of Directors which consist of 3 members who are in the position of director only and 6 members who are both in the position of director and executive. However, there are 3 members who are the independent director among Board of Directors which is equivalent to 1/3 of total directors. According to the following table, the director no.1 has the knowledge of laws, the director no. 8 and 9 has the knowledge of accounting and finance and others have the knowledge and experience in the business of the Company.

Name	Position	Appointed Date
1. Mr. Prachuab Chaiyasan	<ul style="list-style-type: none"> - Chairman of the Board of Directors - Independent Director - Chairman of Audit Committees 	15 October 2012 (Term Expired in 2017)
2. Mr. Anant Tangtongwechakit	<ul style="list-style-type: none"> - Director - Chairman of Executive Committees - Chairman of Risk Management Committees - Managing Director - Authorized Committee 	13 September 1988
3. Mrs. Wanphen Punyaniran	<ul style="list-style-type: none"> - Director - Authorized Committee 	7 July 2012 (Term Expired in 2017)
4. Mrs. Jirawan Pongpichitkul	<ul style="list-style-type: none"> - Director - Executive Committee - Risk Management Committee - Senior Deputy Managing Director: Domestic Investment in Agricultural Business - Authorized Committee 	11 November 2010
5. Miss Chittima Tangtrongwechakit	<ul style="list-style-type: none"> - Director - Executive Committee - Risk Management Committee - Nomination and Compensation Committee - Corporate Governance Committees - Senior Deputy Managing Director: Domestic Investment in Domestic Sales - Authorized Committee 	12 May 1995

Name	Position	Appointed Date
6. Mr. Sarit Tangtrongwechakij	<ul style="list-style-type: none"> - Director - Executive Committee - Risk Management Committee - Senior Deputy Managing Director: International Investment - Authorized Committee 	25 June 2004
7. Mr. Adisak Tangtrongweachakit	<ul style="list-style-type: none"> - Director - Executive Committee - Risk Management Committee - Nomination and Compensation Committee - Corporate Governance Committee - Senior Deputy Managing Director: Domestic Investment in Energy Business - Authorized Committee 	25 June 2004
8. Mrs. Seenual Tasanapant	<ul style="list-style-type: none"> - Director - Independent Director - Audit Committee - Chairman of Corporate Governance Committees - Chairman of Nomination and Compensation Committees 	3 October 2014 (Term Expired in 2017)
9. Mr. Sirichai Sombutsiri	<ul style="list-style-type: none"> - Director - Independent Director - Audit Committee 	10 January 2013

The Authorized Directors

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

“Any two authorized directors co-sign their names and affix the Company’s seal.”

Charter of Board of Directors

The Board of Directors’ Meeting No. 2/2017 of Buriram Sugar Public Company Limited (“the Company”) which was held on 23 February 2017 had the resolution to approve the charter of Board of Directors in order to arrange and collect the information which is namely the composition, qualifications and appointment, tenure and retirement, the meeting, reporting, performance evaluation and other relevant matters, including review of authorities and duties to

keep up with the current situations to become the good practices to other directors. The details are as follows.

1. Composition, Qualifications and Appointment

- 1.1 The Board of Directors must consist of at least 5 Directors and not less than half of total number of directors must be resident in the Kingdom of Thailand.
- 1.2 The Board of Directors consists of Executive Director and non- Executive Director which must be qualified according to the regulations of the Securities and Exchange Commission of Thailand (“SEC”) including the independent directors have to be equal or more than 1/3 of the total number of directors.
- 1.3 Directors must be qualified according to the laws and no prohibitions which show the lack of proper to be entrusted to manage public affairs especially the business of the listed company owned by shareholders in accordance with the notification of Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535 (as amended)
- 1.4 Directors must come from a variety of highly qualified professions that are necessary for business management of the Company which should be namely the knowledge or experiences in sugar industry; agricultural crops especially sugarcane, biomass energy, laws including accounting and finance.
- 1.5 The directors shall not hold shares, be an entrepreneurship or a director in the partnership or foreign companies that operate the same types of business or be business competitors with the Company unless it has been approved by shareholders in the shareholders’ meeting before the appointment.
- 1.6 Election of directors shall comply with the nomination and appointment process specified by the Company which must be transparent and precise. In addition, the appointment and the removal from office of the directors shall comply with the resolution in the shareholders’ meeting in accordance with the terms and conditions under the regulation article 14 of the Company which defines that the shareholders has the rights to elect directors by majority of votes deemed as a resolution, counted by 1 share per 1 vote with individually voting for director election. The nominee who gets the highest votes arranged in descending order shall be elected as directors. If the nominees elected in following order get equal votes in which the number of directors in that term is exceeding as regulated for the Company, chairman of the meeting shall have a casting vote.
- 1.7 The Board of Directors shall select one of directors as Chairman and one or more than one directors as vice chairman.

2. Tenure and Retirement

2.1 The directors have the period of tenure in accordance with regulation article 15 of the Company which is defined that one third of the directors who are in the position in longest period shall be retired. If the number of directors cannot be divided as mentioned, the number of directors who shall be retired should be similar to one third as possible. Additionally, the directors who shall be retired by rotation can be re-elected as director as well.

2.2 In addition to the retirement by rotation, the directors shall be retired as follows.

- Deceased
- Resign
- Incompetent or take any illegal action.
- The resolution from shareholders' meeting
- The court order

2.3 Any of directors who resign from the position shall submit a resignation letter which will be effective as of the date that the Company well-received the resignation letter.

2.4 In case the position of director becomes vacant which is derived from other reasons apart from the retirement by rotation, the Board of Directors shall select the qualified person with no illegal actions as director in the following Board of Directors' meeting unless the term of the previous director is less than 2 months. However, the new coming director shall be in the position as long as the remaining period of tenure of the previous director. The required voting for this agenda must not less than three-fourths of votes by the existing directors.

2.5 The shareholders' meeting may approve to retire the directors prior to expired term with not less than three-fourths of votes and not less than half of total shares of the shareholders who attend the Meeting and have the right to vote.

3. Duty and Responsibility

The Board of Directors had precisely separated the authorities and responsibilities in policy establishment of governance and operation management in general and the authorities and responsibilities in practical management. The chairman of the Board of Directors is not the executive and the authorized director including the Chairman of executive committees and managing director and also person who involves with day-to-day operations, on the other hand, the chairman of Board of Directors is responsible to support and give the advices to management through the executives. Meanwhile, the chairman of executive committees and

managing director is responsible to manage and supervise the business operation of the Company and its subsidiaries under the authorities assigned by Board of Directors. Nevertheless, the scope of duties of Board of Directors is as follows.

The Authority

1. Administer the business of the company in order to generate the profit maximization for shareholders. According to the business operation of the Company, the directors shall perform duties with the responsibility, discretion, honesty in compliance with laws, Articles of Association and regulation including the resolutions from shareholders' meeting as well as the Board of Directors' meeting.
2. Consider and approve the important matters concerning to the operation of the Company, for example, vision, mission, policies, business strategy, goals and operation plan, financial target and budgeting of the Company and its subsidiaries.
3. Supervise the business operation in general as well as the management department in accordance with vision, mission, policies, business strategy, goals and operation plan, financial target and budgeting of the Company and its subsidiaries.
4. Organize the accounting system, financial reporting and auditing as well as the system of internal control, internal audit, risk management and anti-corruption including set up the measures to follow the performance of the Company
5. Provide an annual report of the company and the Board of Directors according to the laws and regulations.
6. Supervise and provide the mechanism of supervision and prevent the conflict of benefit between stakeholders with companies, subsidiaries and associated companies.
7. Consider and give opinion and present to the shareholders' meeting for approval of the transactions that are significant to the company. According to the law and regulation.
8. Appoint one of the Directors of the company as Chairman of the Board of Directors and the Vice Chairman according to the appropriate number.
9. Arrange and change the name of Directors who have the authority.
10. Recruitment and appointment of person who have knowledge, ability, experience and qualified according to law and regulation to be a Directors. In the case of the position of Directors becomes vacant due to reasons other than retirement by rotation.
11. Recruit individuals who have the knowledge, ability and experience according to the laws and regulations related to the shareholders' meeting to consider and appoint as the Directors of the company.

12. The person who has been appointed or nominated as the Directors must have proper knowledge, ability and experience according to the laws and regulations.
13. Consider the annual and interim dividend of the company.
14. Consider the rule and remuneration of Directors and senior Executive.
15. Considering the amount of the remuneration of the Directors in the company according to the criteria for compensation. Then The Board of Directors has sent the report to the shareholders' meeting to consider and approve.
16. Evaluate the CEO work and consider the compensation amount according to the regulation.
17. Appoint the committees by recruiting the person who have knowledge, ability, and experience and qualified according to law and regulation.
18. Appoint one of the Directors of the company as the CEO including instruct the scope of authority of the CEO.
19. Appoint the secretary by recruiting the person who have knowledge, ability, and experience and qualified according to law and regulation.
20. Arrange the succession plan of CEO position by review the plan annually.
21. Appoint the Directors or other person to have the power to take any action that is within the jurisdiction of the Board of Directors as the Board deems appropriate.
22. Supervise to provide a channel to communicate with each shareholders group and the stakeholders of the company.
23. Supervise to disclose significant information related the company and the subsidiaries correctly.
24. Create and modify laws and regulations within the company.
25. Have Duties and responsibilities as defined in laws and regulations.
26. Create and review the policies and encourage using the anti-corruption policies follow the company Code of Conduct.

In addition, The Board of Directors or any authorized person do not have right to have a conflict of interest with any other company unless the approval of the Board of the Directors follow the law and regulation.

4. Meeting

- 4.1 The Board of Directions has to arrange the meeting at least 4 times a year to consider and approve the annual financial statements and quarterly reports including other important events and meetings.

- 4.2 Assign the next year's annual meeting at the end of the year. In order to make the Board of Directors, committees and executives to attend the meeting and give an opinion or approval in any matter.
- 4.3 The Board of the Directors must send an invitation at least 7 days before the meeting unless it is necessary and urgent. The directors of two or more persons may request the Chairman to call a date for the meeting within 14 days of the request.
- 4.4 The Board of Directors have to received proper and timely information .The secretary will ensure that Directors received the agenda and supporting documents prior to the meeting.
- 4.5 Meeting notes have been written and kept as an evident if approved by the Board of Directors.
- 4.6 There must be Directors at the meeting not less than half of the number of Directors. If The Chairman cannot attend the meeting then the Vice Chairman will instead take the responsibility. If the Vice Chairman is not present then one of the Directors will be appoint to act as the Chairman.
- 4.7 The minimum amount of a quorum of the Board of Directors will be voted at the meeting shall be not less than 2/3 of the total number of directors.
- 4.8 Each Director has one voice to vote in the meeting and the decisions of the meeting decide by the majority. If the votes are equal the Chairman of the meeting shall have a final vote.
- 4.9 The company's secretary will record the minutes of the meeting.

5. Report

- 5.1 The Board will provide a report on the operations of the company and subsidiaries in its annual report (Form 56-2) to inform the shareholders.
- 5.2 The Board of Directors will prepare the financial reports and together with the report of the auditors disclose in annual registration statement (Form 56-1) and annual report (Form 56-2).
- 5.3 The Board of Directors must supervise every Director of the company to reveal an identity of their own according to the Capital Market Commission Board No. 38/2016 about the criteria, conditions and procedures for disclosure of information about the financial position and the performance of the issuing company (No. 8). For the benefit of the shareholders, investors and the public in the annual registration statement (Form 56-1), the annual report (Form 56-2) and the company website.

6. Performance Evaluation

The Board of Directors must provide an annual assessment of the performance of the company at the end of the year divided into As a Whole and Self-assessment according to guidelines for good corporate governance. In order to review the work, problems and obstacles encountered and to assess their performance in the past year and find ways to improve the efficiency in the next year.

The criteria for the self-assessment of the Board of Directors and the individual Directors have reference according to the example of the Stock Exchange of Thailand in 2015. The details are as follows:

- The Criteria of Performance Evaluation As a Whole is as follows.
 1. The structure and qualification of the Board of Directors.
 2. Duty and responsibility of the Board of Directors.
 3. The Board of Directors meeting.
 4. Duty of the Directors.
 5. Relationship with management department.
 6. Self-development of the Board of Directors and Executive.
- The Criteria of Individual Performance Evaluation is as follows.
 1. The structure and qualification of the Board of Directors.
 2. The Board of Directors meeting.
 3. Duty and responsibility of the Board of Directors.

For the process of evaluation, the office of directors or company secretary will send both questionnaire with descriptions and scoring to each of the individual company directors in early December and bring returns within mid-December of the year. After that the office of Directors or secretary will seek the result of both evaluation and report to the Board of Directors in the meeting in order to analyze the causes and find a ways to develop in the future. The score rating is as follow.

Scoring:

- 0 = Completely disagree or no action on the matter.
- 1 = Disagree or have little action in the matter.
- 2 = Agree or have moderate action in the matter.
- 3 = Agree quite a lot or have many action in the matter.
- 4 = Completely Agree or have approve all action in the matter.

In addition, the Board of Directors will provide additional evaluation of sub-committees which shall be evaluated according to the criteria as mentioned above.

For the evaluation of the CEO, The Board of Directors order to evaluate in every year by using annual evaluation from Corporate Governance Center registered in 2011 of the stock exchange of Thailand as reference. Further study the method of other organizations that work well and deliver the result to all directors for evaluation in early January of next year. In order to inspect total earning of company and deliver to the secretary in mid-January to conclude the assessment and present to the Board of Directors for approval.

7. The Remuneration

The Board of Directors is aware of remuneration to all Directors and sub-committees and executives appropriately in accordance with the duties and responsibilities as assigned which shall comply with the overview performance and operating results of the Company. In addition, Board of Directors had the resolution to appoint the nomination and remuneration committees in order to establish and review the policies, terms and conditions and the consideration for compensation or other benefits to directors, sub-committees and executives before propose to Board of Directors and shareholders' meeting to consider and approve respectively.

The determination of remuneration shall be considered from the overview performance and operating results of the Company, the operations and the responsibilities which are derived from the performance evaluation. Furthermore, the remuneration of the Company shall compare to the remuneration of similar types of business in other companies and refer to the information of remuneration for directors and executives in listed companies according to the survey data on the directors and executives information in listed companies conducted by Stock Exchange of Thailand.

In addition, the remuneration for directors and sub-committees shall be considered and approved by the shareholders' meeting. Nevertheless, the remuneration of high level executives shall be in accordance with the terms and conditions as well as the policies which was determined by Board of Directors derived from the consideration of duties and responsibilities including the individual performance and operating results of the Company. Board of Directors, sub-committees and high level executives shall receive the proper rate of remuneration in compliance with position, duties and responsibility in work and also the resolution of shareholders' meeting.

8. Development of the Directors and Executives

The Board of Directors has policies to promote and facilitate training and educating Directors and those involved in corporate governance systems of Buriram Sugar Public Company Limited (BRR) in order to improve and develop the operations more efficient. The Board of Directors is required to pass the training course such as Director Accreditation

Program (DAP) or Director Certification Program (DCP) from (Thai Institute of Directors Association: IOD).

In addition, the office of Director and secretary will plan next year's annual training ahead at the end of the year together with the Human Resources and Administration department in order to get an approval from The Board of Directors about the training course in the next year. In each year the company will encourage at least 1 director to attend the training course and seminar activities from Stock Exchange of Thailand, the Securities and Exchange Commission and the other organization that related to the company.

9. The Orientation of New Directors.

The Board of Directors shall organize the orientation for new directors who have been recently appointed. After the appointment, Chief Executive Officer or Managing Director shall introduce the new appointed directors to management and other directors including present the company information, such as, organization chart and nature of business including the related information namely the handbook of good governance and code of conduct of the Company in order to realize the role and scope of duties and authorities of Board of Directors and also the code of ethics and insider trading. Therefore, the information was collected as the handbook for new appointed directors for orientation and individual study.

Furthermore, if the new directors have not participated in the courses for directors, the Company shall support the directors to be trained in those necessary courses such as Director Accreditation Program (DAP) or Director Certification Program (DCP), Audit Committee Program (ACP) (In case the directors are also the audit committee) organized by Thai Institute of Directors Association (IOD) and other related training courses that are necessary.

2.2 Audit Committees

As of 31 December 2016, the Audit Committee consists of 3 members as follows.

Name	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 have sufficient knowledge and experiences to be responsible to review the accountability of financial statement.

However, Ms. Pornpip Winyupakorn, the internal audit manager is the secretary of Audit Committee.

Charter of Audit Committees

The Board of Directors has assigned the Audit Committee to independently comments and suggestions on good governance with a focus on sustainability by reviewing the accuracy and reliability of financial report, internal control, risk management, internal audit, compliance with laws and regulations in order to improve the company's operations effectively and transparently.

1. Composition

- 1.1 The Board of Directors or the shareholders will appoint the Chairman of the Audit Committee and the Audit Committee according to the conditions and regulations of the stock exchange of Thailand.
- 1.2 The Audit Committee consists of at least 3 Directors and at least 1 person must have sufficient knowledge and experience in reviewing the financial statement.
- 1.3 The manager of Internal Audit Department is secretary of the Audit Committee.

2. Qualification

Audit committees must be independent directors with the qualification in accordance with the conditions and regulations of Stock Exchange of Thailand and able to give the comments or report the performance results in compliance with the duties independently including dedicate for work.

3. Tenure

- 3.1 The tenure of audit committees is in accordance with the tenure of Board of Directors.
- 3.2 In case of resignation or retirement which affects to the insufficient number of audit directors as determined in this charter, Board of Directors must appoint a new audit director to fulfil the insufficient number of committees within 3 months since the date that the committees are insufficient.

4. The Meeting

- 4.1 The Audit Committee must arrange the meeting at least 4 times a year and the meeting between the Audit Committee and Internal Audit Office at least 1 time a year in order to discuss and approve the internal audit plan, budget and manpower of the Internal Audit Department.
- 4.2 The quorum of the Audit Committee who attended the meeting must not less than half of the total membership. In addition, each member of the Audit Committee has to attend at least 3/4 of the meeting in that year.
- 4.3 The Audit Committee may invite management department or related persons to attend the meeting, make a comments or shipping documents as necessary.

4.4 The Directors who have interests in any matter must not attend the meeting or abstain from expressing an opinion on that matter.

5. Duty and Responsibility

5.1 Internal Control

- 5.1.1 Review the company's internal processes to obtain suggestion and complaint including review the policy and internal control to avoid corruption activity.
- 5.1.2 Provide a proper internal control and internal audit.
- 5.1.3 Ensure that the company has proper working process with risk management, control, supervision, technology information and security of the data and communication network.
- 5.1.4 Provide the Audit Committee with overall performance and annual evaluation.

5.2 Internal Audit

- 5.2.1 Consider and evaluate the internal control system that the internal audit has already checked to ensure the appropriate action of the system.
- 5.2.2 Consider the independence of internal audit by their work and report including the chain of command. As well as approve the appointment, removal, transfer or dismissal of the Head of the Internal Audit Office.

5.3 Financial and audit reports

- 5.3.1 Ensure that the company's financial reports are correct and sufficient by cooperating with the external auditor and administrator who responsible in prepare the financial reports in both quarterly and annual.
- 5.3.2 Consider and nominate the independent person to act as auditor. As well as arrange the meeting with the auditor without the management department in attendance at least 1 time a year.
- 5.3.3 Advise the Board of the Directors and the management department to improve the business operation in order to reduce the risk in any matter.

5.4 Following the law and related regulation

- 5.4.1 Supervise the company to follow the law and regulation according to the stock exchange of Thailand
- 5.4.2 Consider the transaction that may have the conflicts of interest follow the law and regulation of the stock exchange of Thailand.
- 5.4.3 Prepare the report of the Audit Committee disclosure in the company's annual report which must be signed by the Chairman of the Audit Committee and the data must contains at least the following:

- (1) The opinion about accuracy and completeness to make the financial report of the company reliable.
- (2) The opinion about the adequacy of the internal control system in the company.
- (3) The opinion about follow the law and regulation according to the stock exchange of Thailand.
- (4) The opinion about the appropriateness of the auditor.
- (5) The opinion about the Items that may have conflicts of interest.
- (6) The number of Audit Committee meetings and the attendance of each member in the Audit Committee.
- (7) Opinions or overall observation that the Audit Committee has the duty under the charter.
- (8) Other matters that shareholders and investors should know under the scope of duties and responsibilities as assigned by the Board of Directors.

5.4.4 If the Audit Committee find or suspect the list of the following actions which may have a significant impact on the financial position and results of operations of the company. They must report to the Board of Directors immediately.

- (1) The Items that may cause the conflicts of interest.
- (2) The corruption and unusual activity.
- (3) Violation of the law or regulation of Securities and Exchange Commission and Stock Exchange of Thailand.

If the Board of the Directors fails to achieve the objective in time then the Audit Committees will make a report to The Securities and Exchange Commission or the stock exchange of Thailand.

5.5 Other responsibility

- 5.5.1 The Audit Committee may seek the opinion of an independent consultant in other profession when deemed necessary. The company will pay all of the expenses.
- 5.5.2 Review and update the charter of the Audit Committee and present to the Board of Directors for approval.
- 5.5.3 Carry out any other duties assigned by the Board of Directors with the approval of the Audit Committee.

6. Report

- 6.1 Report to the Board of directors within a reasonable time to perform an update. If there is any action that might affect the financial status, operating result, conflict of interest according to the law and regulation of the stock exchange of Thailand.

- 6.2 Prepared the report of the Audit Committee on the result of the duty by disclose in the annual report of the company.
- 6.3 Prepare a report on the governance of the Audit Committee by disclose in the annual report of the company. The report must be signed by the Chairman of the Audit Committee

2.3 Risk Management Committees

As of 31 December 2016, the Risk Management Committees consist of 5 members as follows.

Name	Position
1. Mr. Anant Tangtongwechakit	Chairman of the Risk Management Committees
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

In addition, Miss Kaynica Tanawechayasiri, assistant to risk management manager is the secretary of Risk Management Committees

Charter of Risk Management Committees

This charter of risk management committees was effective on 12 November 2015

1. Objectives

Board of Directors established risk management committees in order to determine the policies concerning to risk management in the organization including regulate the system and risk management procedures to minimize the effects on the business of the Company appropriately therefore the composition is provided efficiently which is assigned by Board of Directors.

2. Composition

- 2.1 The Board of Directors will appoint risk management committees and chairman of risk management committees by nominate the Directors who have sufficient knowledge and experience in risk management.
- 2.2 The Risk Management Committee will appoint secretary who in charge of risk management. In order to assist about the meeting, prepare the agenda, submission of documents for meetings and meeting notes.

3. Tenure

- 3.1 The tenure of risk management committee is in the period of 3 years each term since the date appointed by Board of Directors.

- 3.2 The Risk Management Directors who retired by rotation may be appointed to the position again. If approved by the Board of Directors.
- 3.3 Apart from the retirement by rotation the Risk Management Directors will be retiring as follow situation.
 - Decease
 - Resign
 - Incompetent or take any illegal action in accordance with Public Limited Company Act B.E. 2535 and Securities and Exchange Act B.E.2535 as amended.
 - The resolution from Board of Directors' meeting
 - The court order

4. Scope of Duties

- 4.1 Provide support to the Board of Directors in determining the policy at the level of acceptable risk.
- 4.2 Present an overview of the company's risks and how to manage and track the risk to the Board of Directors.
- 4.3 Review reporting and risk management and take steps to ensure that risk management is adequate.
- 4.4 Coordinate with the audit committee by sharing knowledge and information about the risk and internal control effect that may affect the company.
- 4.5 Make the decision and provide advice on important problems occurred in the process of risk management.
- 4.6 Support the risk management culture in the organization.
- 4.7 Evaluate the performance of the Risk Management Committee and report on the annual assessment to the Board of Directors.
- 4.8 Review the appropriateness of the Charter regularly in every year to ensure that the contents in the charter are consistent with the purpose and strategies in risk management of the company.
- 4.9 Consider and review the guidelines for the risk management of the company as well as provide the suggestions for improvement.
- 4.10 Supervise the effectiveness of the risk management process of the company.

5. Responsibility

The risk management committee is responsible directly to the Board of Directors in accordance with the duties and responsibilities assigned by Board of Directors. In addition, Board of Directors is also responsible to operation of the Company on external stakeholders.

6. The Meeting

- 6.1 Arrange a meeting at least once a quarter and may invite the Executive officers of the other related company or who saw fit to attend the meeting, comment or submit the information as necessary.
- 6.2 The quorum of the Risk Management Committee meeting must contain the number of the Directors at least 2/3 in total.
- 6.3 The Directors who have interests in any matter must not attend the meeting or abstain from expressing an opinion on that matter.
- 6.4 Each director has one vote in the meeting and the decisions of the meeting decide by the majority. If the votes are equal the Chairman of the meeting shall have a final vote.

7. Report

Report on the performance of the Risk Management Committee by disclosure in the annual report of the company that signed by the Chairman of the Risk Management Committees.

8. Performance Evaluation

The Risk Management Committee will evaluate the performance and send the annual report to the Board of Directors.

2.4 Corporate Governance Committees

As of 31 December 2016, the Corporate Governance Committees consist of 3 members as follows.

Name	Position
1. Mrs. Seenual Tasanapant	Chairman of Corporate Governance Committees (Independent Committee)
2. Miss Chittima Tangtrongwechakit	Corporate Governance Committee
3. Mr. Adisak Tangtrongweachakit	Corporate Governance Committee

In addition, Miss Patcharee Kosanam, director officer manager and company secretary is the secretary of corporate governance committees.

According to the Board of Directors' meeting No.7/2016 of Buriram Sugar Public Company Limited (BRR) on 11 August 2016, the resolution was to approve to establish the corporate governance committees in order to formulate and review policies, guidelines, code of ethics and good governance to generate the operation standard of the Company and the practices of director, executives and employees including provide the comments and suggestions to Board of Directors and also regulate the work performance of Board of Directors, executives and management in compliance with code of conduct, good governance policies

and all the operation concerning to anti-corruption in order to show the determination which commits to operate the business with transparency, fairness and take stakeholders into account. In addition, Board of Directors had the resolution to establish the charter of corporate governance committees which was effective on 14 November 2016. The details are as follow.

1. Composition, Qualifications and Appointment

1.1 Composition and appointment.

1.1.1 Must consist of at least 3 members and a majority must be an independent director.

However, if the organization is still small and the number of independent directors is not sufficient. There must be at least 1 independent director in the corporate governance committees. The corporate governance committees must nominate 1 independent director as the Chairman of committees.

1.1.2 The Board of Directors will appoint the directors to be in the position of the corporate governance committees. If the corporate governance committees are retired by rotation, they may be reappointed by the Board of Directors in another term.

1.1.3 The Company will select and nominate the employee to act as secretary of the committees with approval of the corporate governance committees.

1.2 Qualification

1.2.1 Stay in the position of director who is no bias and work independently in accordance with corporate governance policy.

1.2.2 Possess the knowledge and ability to serve as the corporate governance committee including provide advices to Board of Directors as well as oversee the operations according to the Code of Conduct and good governance policy.

1.2.3 Dedicate time to carry out their duties in order to achieve the objectives of the corporate governance committees.

2. Tenure and Retirement

2.1 Tenure

2.1.1 Directors of good governance have tenure same as the Directors position.

2.1.2 In case the Good Governance Committee has reason to retire. The Board of Directors must appoint a new Good Governance Director to full amount of the Committee within 3 months.

2.2 The retirement.

2.2.1 Corporate governance committees shall retire as following situations

- Decease
- Resign
- Retire from the position of director

- The resolution approved by Board of Directors
- Incompetent or take any illegal action.
- In case of resignation, the corporate governance committees must submit the resignation letter to Chairman of the Board of Directors and shall be effective since the date that chairman of Board of Directors sign and approve this resignation.

3. Scope of Duties

- 3.1 Arrange the rules and guidelines according to the Code of Conduct and good governance policy for the standard to all staff members.
- 3.2 Provide the advice to the Board of Directors and also supervise and oversee the company operation according to the Code of Conduct and good governance policy.
- 3.3 Supervise the operation of all staff members according to the Code of Conduct and good governance policy.
- 3.4 Supervise the operation to avoid corruption activity.
- 3.5 Prepare a report on corporate governance and the duty of the Good Governance Committees to the Board of Directors by disclose in the annual report and annual registration statement (Form 56-1).

In addition, The Directors who have interests in any matter must not attend the meeting or abstain from expressing an opinion on that matter unless the approval of the Board of the Directors according to the law and regulation of the company.

4. Meeting

4.1 Meeting Arrangement

- 4.1.1 The corporate governance committees must arrange the meeting at least twice a year or may provide additional meeting as Chairman of the Board of Directors deems appropriate. The corporate governance committees must attend the meeting at least 3/4 of the amount of the meeting in each year.
- 4.1.2 The Chairman of the corporate governance committees may call the meeting as a special case if necessary.

4.2 Attendance

- 4.2.1 The corporate governance committees meeting must contain the Directors more than a half of all membership.
- 4.2.2 In case of the Chairman cannot attend the meeting then the corporate governance committees will appoint 1 of the Directors to act as the Chairman.
- 4.2.3 If the Secretary cannot attend the meeting, the corporate governance committees will appoint someone to act as the representative.

4.3 Voting

4.3.1 The meeting decision depends on the majority. If the votes are equal the Chairman of the meeting shall have a final vote.

4.3.2 The directors who have conflict of interests in any agenda have no rights to vote.

4.4 The Meeting Record

4.4.1 The secretary of corporate governance committees or any assigned persons must record the minutes.

5. Report

5.1 The corporate governance committees must report any matter concerning to Code of Conduct, the good governance policy and anti-corruption to the Board of Directors for approval.

5.2 The Chairman of the corporate governance committees must report the result of performance to shareholders in the annual report and the annual registration statement (form 56-1) by disclosing the details as follows:

- The amount of the meeting.
- The amount of each Director that attend the meeting.
- The result of the operation according to the charter.

6. Performance Evaluation

The corporate governance committees must evaluate their own performance and report the result as well as the problem and obstacle to the Board of Directors.

7. The Remuneration

The corporate governance committees shall receive the proper rate of remuneration in compliance with position, duties and responsibility in work and also the resolution of shareholders' meeting.

2.5 Nomination and Remuneration Committees

As of 31 December 2016, the Nomination and Remuneration Committees consist of 3 members as follows.

Name	Position
1. Mrs. Seenual Tasanapant	Chairman of Nomination and Remuneration Committees (Independent Committee)
2. Miss Chittima Tangtrongwechakit	Nomination and Remuneration Committee
3. Mr. Adisak Tangtrongweachakit	Nomination and Remuneration Committee

In addition, Miss Patcharee Kosanam, director officer manager and company secretary is the secretary of nomination and remuneration committees.

According to the Board of Directors' meeting No.7/2016 of Buriram Sugar Public Company Limited (BRR) on 11 August 2016, the resolution was to approve to establish the nomination and remuneration committees in order to responsible to consider, formulate terms and conditions to nominate the directors, sub-committees and high level executives of the Company including consider terms and conditions of remuneration to Board of Directors and persons as mentioned above in accordance with the duties and responsibilities and overview performance and operating results of the Company. In addition, the Company shall consider the benefits for shareholders as the first priority including show the determination which commits to operate the business with transparency, fairness and take stakeholders into account. In addition, Board of Directors had the resolution to establish the charter of nomination and remuneration committees which was effective on 14 November 2016. The details are as follow.

1. Composition, Qualifications and Appointment

1.1 Composition and appointment.

1.1.1 Must consist of at least 3 members and a majority must be an independent director.

However, if the organization is still small and the number of independent directors is not sufficient. There must be at least 1 independent director in the nomination and remuneration committees. The nomination and remuneration committees must nominate 1 independent director as the Chairman of committees.

1.1.2 The Board of Directors will appoint the directors to be in the position of the nomination and remuneration committees. If the nomination and remuneration committees are retired by rotation, they may be reappointed by the Board of Directors in another term.

1.1.3 The company will select and nominate the employees to act as secretary of the committees with approval of nomination and remuneration committees.

1.2 Qualification

1.2.1 Stay in the position of director who is no bias and work independently in accordance with corporate governance policy.

1.2.2 Possess the knowledge and ability to serve as the nomination and remuneration committees including provide advices to Board of Directors as well as oversee the operations according to the Code of Conduct and good governance policy.

1.2.3 Dedicate time to carry out their duties in order to achieve the objectives of the nomination and remuneration committees.

2. Tenure and Retirement

2.1 Tenure

2.1.1 The tenure of nomination and remuneration committees is in accordance with the tenure of directors

2.1.2 In case the nomination and remuneration committees has reason to retire. The Board of Directors must appoint a new nomination and remuneration committees to full amount of the Committee within 3 months.

2.2 The Retirement

2.2.1 The nomination and remuneration committees shall retire as following situations

- Decease
- Resign
- Retire from the position of director
- The resolution approved by Board of Directors
- Incompetent or take any illegal action.

In case of resignation, the nomination and remuneration committees must submit the resignation letter to Chairman of the Board of Directors and shall be effective since the date that chairman of Board of Directors sign and approve this resignation.

3. Scope of Duties

3.1 The Nomination

3.1.1 Arrange the rules and guidelines for appropriate nomination and compensation according to the Code of Conduct and good governance policy for the standard to all staff members.

3.1.2 Provide selection and nomination of Directors and senior Executive including the Committees who qualified according to the guidelines. Then report to the Board of Directors and shareholders' meeting for approval.

3.1.3 Consider and suggest the structure, size and composition of the Board of Directors that appropriate with the company.

3.1.4 Plan and provide the orientation for new appointed Director including the development plan to improve the knowledge and ability of the company director.

3.1.5 Prepare and review the succession plan of CEO and senior Executive in order to make the management and operation of the company continuously and effectively.

3.1.6 Encourage the company to allow shareholders to participate in the proposed list in order to be considered as a Director.

3.1.7 Disclose the nomination information of all staff members in annual report and the annual registration statement (form 56-1).

3.2 The Remuneration

- 3.2.1 Define and review policies, rules, and form the proper remuneration or other benefits to all of staff members with fairness.
- 3.2.2 Offer appropriate compensation and other benefit to all staff members to motivate and retain The Directors who have the ability and potential.
- 3.2.3 Form the performance evaluation of the Directors and senior Executive for the proper annual compensation.
- 3.2.4 Disclose the rules of remuneration and compensation of all staff members and report to the Board of Directors in annual report and the annual registration statement (form 56-1).

3.3 Review the policies, guidelines and terms and conditions of nomination and remuneration as well as other benefits of directors, sub-committees and high level executives every year.

3.4 Responsible to any other matter assigned by Board of Directors. The authority of the Nomination and Compensation Committee does not include the power to approve any potential conflict that the Directors have the benefit with according to the rule and regulation of the stock exchange of Thailand.

4. The Meeting

4.1 Meeting Arrangement

- 4.1.1 The nomination and remuneration committees must arrange the meeting at least twice a year or may provide additional meeting as Chairman of the Board of Directors deems appropriate. The nomination and remuneration committees must attend the meeting at least 3/4 of the amount of the meeting each year.
- 4.1.2 The Chairman of the nomination and remuneration committees may call the meeting as a special case if necessary.

4.2 Attendance

- 4.2.1 The meeting of nomination and remuneration committees must contain the Directors more than a half of all membership.
- 4.2.2 In case of the Chairman cannot attend the meeting then the nomination and remuneration committees will appoint 1 of the Directors to act as the Chairman.
- 4.2.3 If the Secretary cannot attend the meeting, the nomination and remuneration committees will appoint someone to act as the representative.

4.3 Voting

4.3.1 The meeting decision depends on the majority. If the votes are equal the Chairman of the meeting shall have a final vote.

4.3.2 The directors who have conflict of interests in any agenda have no rights to vote.

4.4 The Meeting Record

4.4.1 The secretary of nomination and remuneration committees or any assigned persons must record the minutes.

5. Report

5.1 The nomination and remuneration committees must report any matter concerning to Code of Conduct, the good governance policy and anti-corruption to the Board of Directors for approval.

5.2 The Chairman of the nomination and remuneration committees must report the result of performance to shareholders in the annual report and the annual registration statement (form 56-1) by disclosing the details as follows:

- The amount of the meeting.
- The amount of each Director that attend the meeting.
- The result of the operation according to the charter.

6. Performance Evaluation

The nomination and remuneration committees must evaluate their own performance and report the result as well as the problem and obstacle to the Board of Directors.

7. The Remuneration

The nomination and remuneration committees shall receive the proper rate of remuneration in compliance with position, duties and responsibility in work and also the resolution of shareholders' meeting.

2.6 Executive Committees

As of 31 December 2016, the Executive Committees consist of 5 members as follows.

Name	Position
1. Mr. Anant Tangtongwechakit	Chairman of Executive Committees
2. Mrs. Jirawan Pongpichitkul	Executive Committee
3. Miss Chittima Tangtrongwechakit	Executive Committee
4. Mr. Sarit Tangtrongwechakit	Executive Committee
5. Mr. Adisak Tangtrongwechakit	Executive Committee

In addition, Miss Patcharee Kosanam, director officer manager and company secretary is the secretary of executive committees.

According to the Board of Directors' meeting No. 2/2017 of Buriram Sugar Public Company Limited (BRR) on 23 February 2017, the resolution was to approve to prepare and assemble the composition of the Executive Committee. The company has resolved to set up this Executive Committee charter. The details are as follows.

1. Composition, Qualifications and Appointment

1.1 Composition and Appointment

1.1.1 The Executive Committee must be appointed by the Board of Directors as deemed appropriate and must consist of at least 3 Directors or Executive.

1.1.2 The Board of Directors will appoint the Directors to work in the Executive Committees. If the Executive Directors are retire by rotation, they may be appointed again by the Board of Directors

1.1.3 The company will select and nominate the employees to act as secretary of the committees with approval of the Executive Committees.

1.2 Qualification

1.2.1 Have good governance and perform duty and consider the benefit of the shareholders and the organization with fairness.

1.2.2 Have the knowledge and ability to serve as the Executive Directors including finance, accounting, or business related to Buriram Sugar Public Company Limited (BRR).

1.2.3 Dedicate time to carry out their duties in order to achieve the objectives of the Executive Committees.

2. Tenure and Retirement

2.1 Tenure

2.1.1 Directors of Executive have tenure same as the Directors position.

2.1.2 In case the Executive Committee has reason to retire. The Board of Directors must appoint a new Executive Director to full amount of the Committee within 3 months

2.2 Retirement

2.2.1 The executive committees shall retire as following situations

- Decease
- Resign
- Retire from the Directors position.
- The resolution approved by Board of Directors
- Incompetent or take any illegal action.

In case of resignation, the executive committees must submit the resignation letter to Chairman of the Board of Directors and shall be effective since the date that chairman of Board of Directors sign and approve this resignation.

3. Scope of Duties

- 3.1 Arrange the rules and guidelines, mission, business strategies, policies, etc. and report to the Board of Directors for approval.
- 3.2 Supervise the operation to achieve the financial and budget goal of the company.
- 3.3 Create the organizational structure and company management policies, including policies regarding the selection, training, employment and dismissal of employees who have a position higher than the company's managers by appoint The CEO to in charge in that matter.
- 3.4 Study the possibility of investing in new projects and have the authority to consider and approve the investment with the person, entity, organization and other business that deem appropriate. The Executive Committees will approve the budget for each project start at 10 million baht but less than 50 million baht.
- 3.5 Consider and approve financial transactions with financial institution to open an account to a loan, mortgage, pledge, guarantee and other services including trading and registration of title to land in the company's objectives. The Executive Committees will approve the budget for each project start at 10 million baht but less than 1 billion Baht.
- 3.6 Consider and approve the contract or financial instruments such as the right to buy or sell sugar or the foreign contract in advance in order to avoid the risk.
- 3.7 Consider and make suggestion about the project proposal or any transaction involving the company's operations exceeding the amount of budget according to the law and regulation.
- 3.8 Consider and approve the work and operations or any action which may affect the company.
- 3.9 Appoint the CEO conduct the business of the company based on the duties and responsibilities as prescribed by the Board of Directors.
- 3.10 Assigned or appointed the Director or any person to take any action within the authority of Executive Committee as the Board of the Director deem appropriate.
- 3.11 Consider and approve the operation guide so the person who have been appointed or authorized will aware of the scope of responsibility of their own.
- 3.12 Responsible in any matter that assigned by The Board of the Directors.
- 3.13 Establish an effective Anti-corruption operation and act as an example for all staff members.

However, The Directors who have interests in any matter must not attend the meeting or abstain from expressing an opinion on that matter unless the approval of the Board of the Directors according to the law and regulation of the company.

4. The Meeting

4.1 Meeting Arrangement

4.4.1 The Executive Directors must attend the meeting at least 3/4 of total membership.

4.2 Attendance

4.2.1 The Executive Committee meeting must contain the Directors more than a half of all membership.

4.2.2 In case of the Chairman cannot attend the meeting then the Executive Committees will appoint 1 of the Directors to act as the Chairman.

4.2.3 If the Secretary cannot attend the meeting, the Executive Committees will appoint someone to act as the representative.

4.3 Voting

4.3.1 The meeting decision depends on the majority. If the votes are equal the Chairman of the meeting shall have a final vote.

4.3.2 The directors who have conflict of interests in any agenda have no rights to vote.

4.4 The Meeting Record

4.4.1 The secretary of executive committees or any assigned persons must record the minutes.

5. Report

5.1 The executive committees have to consider the proposal and report the results of the policy or operations in any matters which are important and affect business to the Board of Directors for approval.

5.2 The executive committees and the management must prepare an analysis and explanation from MD&A about the operation of the past year by disclose in the annual report and the annual registration statement (form 56-1).

6. Performance Evaluation

The executive committees must evaluate their own performance and report the result as well as the problem and obstacle to the Board of Directors.

7. The Remuneration

The executive committees shall receive the proper rate of remuneration in compliance with position, duties and responsibility in work and also the resolution of shareholders' meeting.

2.7 Executives

The definition of Executives in accordance with the notification of the Capital Market Supervisory Board No. TorChor. 23/2551 defines to “manager or persons who are in the fourth level of management including persons who are management of accounting and finance and in higher position of division manager.” As of 31 December 2016, the executives of the Company according to the definition of the notification of the Capital Market Supervisory Board consist of 9 members as follows.

Name	Position
1. Mr. Anant Tangtongwechakit	Managing Director
2. Mrs. Jirawan Pongpichitkul	Senior Deputy Managing Director in Domestic Investment of Agricultural Business
3. Miss Chittima Tangtrongwechakit	Senior Deputy Managing Director in Domestic Investment of Domestic Sales
4. Mr. Adisak Tangtrongweachakit	Senior Deputy Managing Director in Domestic Investment of Energy Business
5. Mr. Sarit Tangtrongwechakij	Senior Deputy Managing Director in International Investment
6. Mr. Vorathep Lertchaiudomchok	Senior Deputy Managing Director in Finance and Operation
7. Mr. Pitak Chaosoun	Deputy Managing Director in Finance and Operation
8. Mr. Pattarapong Pongsawasdi	Deputy Managing Director in Investor Relations, International Affair and Industrial Policy
9. Mr. Adul Suravudhikul	Senior Assistant Managing Director in Financial Management

In addition, managing director (CEO) possesses the composition, appointment and scope of duties as follows.

- **Composition and appointment of CEO.**

In the nomination of the CEO, the Nomination and Compensation Committee will find the candidate with the required qualifications, knowledge, skills and experience to benefit the operations and achieve the objective of the company.

- **The scope of duty.**

1. Responsible in Day to Day Operation and supervise the overall operation in order to achieve the objective of the company.
2. Consider the negotiation and acquisition of a legal contract or any action that related to the operation of the company's daily routines. The money in each of the items does not exceed 10 million baht.

3. Consider and provide a suggestion of a legal contract or any action that related to the operation of the company's daily routines including deliver the report to the Board of Directors for approval.
4. Study the possibility of investing in the new project and consider approving the investment, person or entity with other business organizations in order to achieve the objective of the company. The budget of each legal contact does not exceed 10 million baht.
5. Consider and approve financial transaction with financial institutions to open a loan account, loan, mortgage, pledge, guarantee and other related transaction. The budget of each transaction does not exceed 10 million baht.
6. Create the term of trade such as payment period, credit limit and trading contract. The budget of each legal contact does not exceed 10 million baht.
7. Consider the employment, appointment, transfer, duty and proper compensation to all staff members.
8. Appointed the advisor that necessary to the operation of the company's daily routines
9. Appointed or assigned any person to in charge in any action within the jurisdiction of CEO
10. Have the authority and responsibility according to the policy or assigned by the Board of Directors.
11. Arrange the anti-corruption system in order to prevent the corruption activity in the organization.

However, The CEO who have interests in any matter does not have authority to approve in that matter unless the approval of the Board of the Directors according to the law and regulation of the company.

2.8 Company Secretary

According to Board of Directors' meeting No.8/2015 which was held on November 12, 2015, the resolution was to approve to appoint Miss Patcharee Kosanam as Company Secretary in accordance with Section 89/15 of Securities and Exchange Act B.E. 2535 (as amended). In addition, Miss Patcharee Kosanam was trained from the Thai Institute of Director (IOD) on following courses.

- Company Secretary Program (CSP), Class 50/2013
- Effective Minute Taking (EMT), Class 25/2013
- Board Reporting Program (BRP), Class 10/2013
- Company Reporting Program (CRP), Class 5/2013

- The Appointment, Scope of Duties and Responsibility of Company Secretary

The Board of Directors appointed the company secretary in order to support the work of the Board in various ways such as arrange the meeting and document works. The company determines the qualifications and responsibilities of the company Secretary. As follows:

1. Education and Training

- Graduated with a Bachelor's degree or Master's degree in law, accounting, finance and related fields.
- Attend the training course about the company secretary in particular from Thai Institute of Directors (IOD) such as Company Secretary Program (CSP), Effective Minute Taking (EMT), Board Reporting Program (BRP) and Company Reporting Program (CRP) for example.

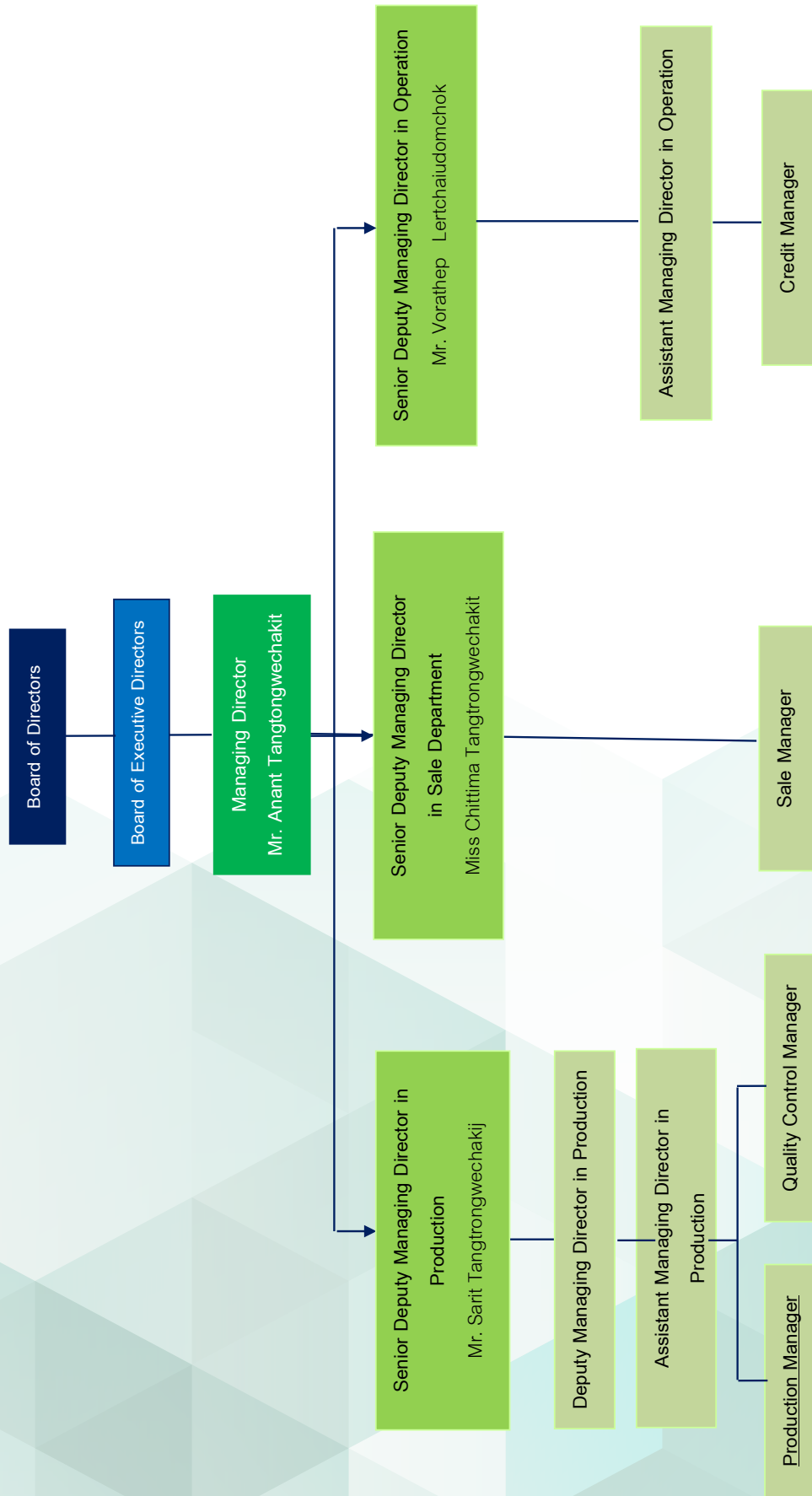
2. The Responsibility

- Provide basic advice to the Board of Directors and management department according to the law and regulation of the company.
- Responsible for managing the shareholders and the Board of Directors meeting according to the law and regulation of the company.
- Record the minutes of the shareholder and the Board of Directors meeting.
- Prepare and maintain registration, the annual report or any important reports.
- Keeping the reports of the interest that received from the Board of Directors or the Executive and delivers the copy of the report to the Chairman within 7 days
- Perform other duties as assigned by the Capital Market Commission.
- Perform other duties as assigned by the Board of the Directors.

(3) Details of the directors of the subsidiaries

Names of directors in each subsidiaries, only the significant subsidiary that generates more than 10% of total revenue in latest fiscal year on profits and losses financial statement which is Buriram Sugar Factory Company Limited (BSF). Hence, the details of the directors of Buriram Sugar Factory Company Limited are as follows.

Organization of Buriram Sugar Factory Co., Ltd. ("Core Business")



Buriram Sugar Factory Company Limited (BSF)

Board of Directors

As of 31 December 2016, Board of Directors consist of 5 members as follows.

Name	Position
1. Mr. Anant Tangtongwechakit	Chairman of the Board of Director
2. Mrs. Jirawan Pongpichitkul	Director
3. Miss Chittima Tangtrongwechakit	Director
4. Mr. Sarit Tangtrongwechakit	Director
5. Mr. Adisak Tangtrongweachakit	Director

Board of Executive Committees

As of 31 December 2016, Board of Executive Directors consist of 5 members as follows.

Name	Position
1. Mr. Anant Tangtongwechakit	Chairman of the Executive Committees
2. Mrs. Jirawan Pongpichitkul	Executive Committee
3. Miss Chittima Tangtrongwechakit	Executive Committee
4. Mr. Sarit Tangtrongwechakit	Executive Committee
5. Mr. Adisak Tangtrongweachakit	Executive Committee

Executives

As of 31 December 2016, Board of Executive Directors consist of 7 members as follows.

Name	Position
1. Mr. Anant Tangtongwechakit	Managing Director
2. Miss Chittima Tangtrongwechakit	Senior Deputy Managing Director in Domestic Sale
3. Mr. Sarit Tangtrongwechakit	Senior Deputy Managing Director in Production
4. Mr. Vorathep Lertchaiudomchok	Senior Deputy Managing Director in Operation
5. Mr. Yanyong Kittithatphongphon	Deputy Managing Director in Production
6. Mr. Nopanant Phoolsap	Assistant Managing Director in Production
7. Mr. Pitak Chaosoun	Assistant Managing Director in Operation

(4) The scope of duties of Board of Directors in Subsidiaries

According to the Board of Directors meeting No.6/2014 on 22 August 2014, the resolution was to determine the scope of duties of Board of Directors in subsidiaries as follows:

1. Manage the subsidiary with fairness and legal for the best benefit to shareholders.
2. Supervise the subsidiary operation to achieve the company goal.
3. Provide accounting system, financial reporting and auditing including internal control, internal audit, and risk management system.
4. Supervise and provide a mechanism for good governance in order to avoid the conflict of interest.
5. Appoint one of the Directors to act as the Chairman of the Board of the Directors and one or more to act as the Vice President as they saw fit.
6. Define or edit change the Directors authorized signature.
7. Consider and determine the criteria for the remuneration of Directors and senior executives.
8. Recruitment and appointment of person who have knowledge, ability, experience and qualified according to law and regulation to be a Directors.
9. Considering the amount of the remuneration of the Directors in the company according to the criteria for compensation. Then The Board of Directors has sent the report to the shareholders' meeting to consider and approve.
10. Evaluate the CEO and senior Executives work and consider the compensation amount according to the regulation.
11. Appoint the Directors or other person to have the power to take any action that is within the jurisdiction of the Board of Directors as the Board deems appropriate.
12. Supervise to disclose the financial status and the operation related the company and the subsidiaries correctly.
13. Disclose and deliver information about the stakeholder and their associated individuals in order to reveal the relationship and transactions between their company and other to avoid the conflict of interest.
14. Reports business plan, business growth, large investment projects as approved by the company by disclose in monthly report.
15. Explain or deliver data or documents associated with the operation to the company as requested.

16. Explain or deliver data or documents associated with the operation to the company if there is important matter.

17. Responsible in any important matter according to the law and regulation of the company.

However, The Directors who have interests in any matter must not attend the meeting or abstain from expressing an opinion on that matter unless the approval of the Board of the Directors according to the law and regulation of the company.

(5) Supervision of Operations in Subsidiaries

Buriram Sugar Public Company Limited (BRR) has a mechanism to supervise the company's operations in order to seek the best benefit for the company.

1. The company will appoint or nominate the persons as the Directors or Executives of subsidiaries by depend on the shareholding rate of that company. The nominated person must be qualified according to the law and regulation of the Securities and Exchange Commission.
2. the Board of Directors or the shareholders' meeting of the company must approve before the subsidiaries can take any action in the following cases:
 - (1) In case of the Board of Directors or the shareholders' meeting of the company must approve first.
 - (A) The annual and interim dividend of subsidiaries.
 - (B) The amendment of regulation in subsidiaries
 - (C) The annual budget of the subsidiary.

From (D) to (L) are the important matter. If the subsidiaries take any action without approval from the company, there will be significant impact to the financial position and results of operation.

- (D) The subsidiary agreements into related transaction that involve the acquisition or disposal of assets of a subsidiary company.
- (E) Transfer or relinquish benefits including the renunciation of claim that cause the damage to subsidiaries.
- (F) The sale or transfer of all or significant part of subsidiary to another person.
- (G) The purchase or transfer of other companies as subsidiaries.

(H) The amendment or termination of contracts relating to the renting business of the subsidiaries.

The assignments to attend the business management of subsidiaries:

(I) The Renting or leasing property of the entity or the subsidiaries.

(J) Provide the financial assistance in any other way to third parties and not the normal business of the subsidiary such as loan, credit and guarantee.

(K) Subsidiaries are out of business.

(L) Any other matters that are not the usual business of the subsidiary.

(2) The matter that must be approved by the shareholders' meeting of the company before the subsidiaries can take any action according to the Capital Market Commission and the stock exchange of Thailand.

(A) In case of the subsidiary agreements on related transactions that involve the acquisition or disposal of assets of the company.

(B) The capital increase by issuing new shares and the shares of the company including the reduction of the registered capital which is not in proportion to their shares of the shareholders. Resulting in the reduce of voting for 10 % of overall vote in subsidiary and reduce of voting below 50 % of overall vote in the main company both direct and indirect.

(C) Any other action that will result in reduction of voting for 10 % of overall vote in the main company and reduce of voting below 50 % of overall vote in subsidiary both direct and indirect.

(D) The main company is out of business.

(E) Any other matters that are not the usual business of the main company.

(F) The amendment of regulation in subsidiaries that affect the financial status and operation of the company.

3. All Directors have responsibility as follows:

(A) Disclose the information about financial status and the operation correctly according to the law and regulation of the Capital Market Commission and the stock exchange of Thailand.

(B) Disclose and deliver information about the stakeholder and their associated individuals in order to reveal the relationship and transactions between their company and other to avoid the conflict of interest.

However, The Director of the subsidiary who has interests in any matter does not have authority to approve in that matter both direct and indirect.

The matters that may cause the negative result or the conflict of interest to the company by the action of the Directors are as follows:

- (A) The transactions between the subsidiary and the Directors that not follow the rule and regulation.
 - (B) Using the information of the company without approval.
 - (C) Using the property or the business opportunities of their own company without approval.
 - (D) Reports business plan, business growth, large investment projects as approved by the company.
 - (E) Explain or deliver data or documents associated with the operation to the company as requested.
 - (F) Explain or deliver data or documents associated with the operation to the company if there is important matter.
 - (G) Responsible for the internal control systems, risk protection systems appropriately to ensure the good operation according to the company policy and the rule and regulation of the Securities and Exchange Commission and the stock exchange of Thailand.
4. All staff members including their spouse and underage child must not use information of the company for their own interest both direct and indirect.
 5. The transaction of all staff member must be approved by the Board of Directors before taking any action.

The company will follow the rule and regulation of the Securities and Exchange Commission and the stock exchange of Thailand before taking any action.

(6) Authority for the Approval of Expenditure

Buriram Sugar Public Company Limited and its subsidiaries defined authority to approve limits for operating a normal transaction as well as the receiving or giving of gratuities and any benefits that could influence business decisions. In addition, the Board of Directors shall assign any of directors to have power to perform any acts, such as, chairman of executive committees, executive committees and managing director, however, the directors shall assign any persons to have power to perform any acts as needed. Therefore, the details are as follows.

6.1 Authority to Approve Limits for Operating a Normal Transaction

Approval	Executive Committees	Managing Director	Senior Deputy Managing Director	Assistant Managing Director
1. Expenditures				
- Operational Expense and General Expense			Exceeding 100,000 Baht	20,000 – 100,000 Baht
2. Purchasing				
- Fixed Assets		Approve for Non-Budget	Exceeding 100,000 Baht	NOT Exceeding 100,000 Baht
- Purchasing Authorized		Exceeding 1,000,000 Baht	NOT Exceeding 1,000,000 Baht	NOT Exceeding 500,000 Baht
3. Finance				
- Advance Disbursement Per Times			Exceeding 100,000 Baht	20,000 – 100,000 Baht
4. General Terms				
- The Sale of Other Assets	Exceeding 100,000 Baht	NOT Exceeding 100,000 Baht	No Authority to Approve	No Authority to Approve
- Building Renovation	Exceeding 500,000 Baht	NOT Exceeding 500,000 Baht	No Authority to Approve	No Authority to Approve

6.2 Authority to Approve Limits for Receiving or Giving of Gratuities and Any Benefits

■ The Criteria Concerning to Receiving or Giving of Gratuities and Any Benefits

- 1) Any gift which is not in term of cash
- 2) Any gift which is made for sale promotion which is affixed by the Company's seal (i.e. pens, caps, shirts, books or fabric bags)
- 3) Any gift which is made for complimentary distribution. (Distributed to employees, shareholders, customers and partners)
- 4) Any gift which is made or bought from other sources in order to distribute to partners in special occasions (i.e. calendars, books, umbrellas, snacks or gift baskets)
- 5) Other privileges as deserved for sale promotion
- 6) Any gift in which the price is not exceeding as determined in the following table.

Category	General Operation Authority	Authorized Person						
1	Expense	D	EXCOM	MD	SDMD	AMD	M	DM / OFF
1.3	Receiving Gifts Per Times (In Budget)							
	- Less than 3,000 Baht				✓	✓	✓	✓
	- Less than 6,000 Baht	✓	✓	✓	-	-	-	-

■ The Regulation of Authority Assignment According to Limits for Receiving or Giving of Gratuities and Any Benefits

Category	General Operation Authority	Authorized Person							
1	Expense	D	EXCOM	MD	SDMD	AMD	M	DM / AM	SM
1.3	Entertainment Expense and Giving Gifts Per Times (In Budget)								
	- Less than 5,000 Baht						A	-	-
	- Less than 10,000 Baht					A	-	-	-
	- More than 10,000 Baht				A	-	-	-	-

Remark: The definition of abbreviation in above table is as follows.

D	=	Director	EXCOM	=	Executive Committees
MD	=	Managing Director	SDMD	=	Senior Deputy Managing Director
AMD	=	Assistant Managing Director	M	=	Division Manager
DM	=	Deputy Manager	AM	=	Assistant Manager
SM	=	Section Manager	A	=	Approved
OFF	=	Officer	-	=	No Authority
(Blank)	=	Higher Level Authority			

(7) Remuneration of Directors and Executives

7.1 Remuneration of Board of Directors

■ Remuneration in Cash

The 2016 Annual General Meeting of Shareholders on April 21, 2016 had the resolution to approve the remuneration for directors and sub-committees of the Company which was considered from the financial results of the Company including the operating performance and the responsibilities of directors, compared to the same types of business of other companies and referred to the remuneration of directors and executives of listed companies in 2012 which was prepared by the Stock Exchange of Thailand ("SET"). The details are as follows.

Position	2016		2017 (as proposed)	
	Remuneration (Baht/Month)	Annual Bonuses (Baht)	Remuneration (Baht/Month)	Annual Bonuses (Baht)
Chairman of Board of Directors	15,000	400,000	15,000	400,000
Directors	10,000	150,000	10,000	150,000
Chairman of Audit Committees	15,000	150,000	15,000	150,000
Audit Committees	10,000	100,000	10,000	100,000
Chairman of Risk Management Committees	15,000	400,000	15,000	150,000
Risk Management Committees	10,000	150,000	10,000	100,000
Chairman of Executive Committees	15,000	150,000	15,000	150,000
Executive Committees	10,000	100,000	10,000	100,000
Chairman of Corporate Governance Committees	-	-	No Remuneration	No Remuneration
Corporate Governance Committees	-	-	No Remuneration	No Remuneration
Chairman of Nomination and Remuneration Committees	-	-	No Remuneration	No Remuneration
Nomination and Remuneration Committees	-	-	No Remuneration	No Remuneration

Remark:

- The 2017 annual remuneration as proposed is equivalent to the 2016 annual remuneration except for the special annual bonuses of risk management committees which is decreased as similar to the remuneration of other sub-committees.
- The corporate governance committees and nomination and remuneration committees were established on August 11, 2016, according to the resolution the Board of Directors' meeting of the Company No.7/2016. In addition, these two sub-committees shall be performed the duties in 2017, therefore, the Board of Directors considered the 2017 annual remuneration and approved not to pay the remuneration and special bonus including other compensations and benefits in order to save cost for the Company. This agenda shall be proposed in shareholders' meeting to consider with the remuneration of other committees.

■ Other Remunerations and Benefits

In addition to the remuneration in cash such as monthly remuneration and special bonus, the Company has NOT paid other types of remuneration such as meeting allowances, welfares and other benefits to directors and sub-committees.

In 2014, 2015 and 2016, the remuneration of the Company to directors and sub-committees was as follows.

Name of Directors	Position	Remuneration (Baht)			
		2014	2015	2016	2017 (as proposed)
Mr. Prachuab Chaiyasan	- Chairman of the Board of Directors - Independent Director - Chairman of Audit Committees	880,000	910,000	910,000	910,000
Mr. Anant Tangtongwechakit	- Director - Chairman of Executive Committees - Chairman of Risk Management Committees - Managing Director	743,750	930,000	1,180,000	930,000
Mrs. Wanphen Punyaniran	- Director	260,000	270,000	270,000	270,000
Mrs. Jirawan Pongpichitkul	- Director - Executive Committee - Risk Management Committee	630,000	710,000	760,000	710,000
Miss Chittima Tangtrongwechakit	- Director - Executive Committee - Risk Management Committee - Nomination and Compensation Committee - Corporate Governance Committees	630,000	710,000	760,000	710,000
Mr. Sarit Tangtrongwechakij	- Director - Executive Committee - Risk Management Committee	630,000	710,000	760,000	710,000
Mr. Adisak Tangtrongweachakit	- Director - Executive Committee - Risk Management Committee - Nomination and Compensation Committee - Corporate Governance Committees	620,000	710,000	760,000	710,000
Mr. Amnuay Patise	- Director - Independent Director - Audit Committee - Chairman of Risk Management Committees	535,000	-	-	-
Mrs. Seenuai Tasanapant	- Director - Independent Director - Audit Committee - Chairman of Corporate Governance Committees - Chairman of Nomination and Compensation Committees	122,500	490,000	490,000	490,000
Mr. Sirichai Sombutsiri	- Director - Independent Director - Audit Committee	350,000	490,000	490,000	490,000
Total		5,521,250	5,930,000	6,380,000	5,930,000

Remark:

1. Mr. Amnuay Patise was appointed as the director of the Company on 15 October 2012 and resigned on 2 October 2014.
2. Mrs. Seenuai Tasanapant was appointed as the director of the Company on 3 October 2014.
3. In 2017 which is the proposed year, the remuneration of risk management committees was decreased as equal as the remuneration of other committees.
4. No remuneration and other benefits to corporate governance committees and nomination and remuneration committees.

7.2 Remuneration for Directors of Buriram Sugar Factory Company Limited (BSF) (Core Business)

In 2014 – 2016, the remuneration for Board of Director of BSF was as follows.

Name of Directors	Position	Remuneration (Baht)		
		2014	2015	2016
Mr. Anant Tangtongwechakit	Chairman of the Board of Directors	580,000	580,000	580,000
Mrs. Jirawan Pongpichitkul	Director	270,000	270,000	270,000
Miss Chittima Tangtrongwechakit	Director	270,000	270,000	270,000
Mr. Sarit Tangtrongwechakit	Director	270,000	270,000	270,000
Mr. Adisak Tangtrongweachakit	Director	270,000	270,000	270,000
Total		1,660,000	1,660,000	1,660,000

In 2014 – 2016, the remuneration for Board of Executive Directors of BSF was as follows.

Name of Directors	Position	Remuneration (Baht)		
		2014	2015	2016
Mr. Anant Tangtongwechakit	Chairman of the Board of Directors	330,000	330,000	330,000
Mrs. Jirawan Pongpichitkul	Director	220,000	220,000	220,000
Miss Chittima Tangtrongwechakit	Director	220,000	220,000	220,000
Mr. Sarit Tangtrongwechakit	Director	220,000	220,000	220,000
Mr. Adisak Tangtrongweachakit	Director	220,000	220,000	220,000
Total		1,210,000	1,210,000	1,210,000

7.3 Remuneration for Executives

The remuneration for high level executives is in accordance with the notification of the Capital Market Supervisory Board No. TorChor. 23/2008, however, the determination of salary structure for executives and employees of the Company and its subsidiaries shall be compared with other companies in same types of industry, duties and responsibilities and other terms and conditions as specified by the Company.

In 2014, 2015 and 2016, the remuneration for executives of the Company and its subsidiaries which *included salary, bonus, provident fund and other welfares and benefits* was as follows.

	BRR			BSF		
	2014	2015	2016	2014	2015	2016
The Number of Directors (Person)	8	9	9	5	7	7
Remuneration (Baht)	20,767,459	22,691,592	29,427,946	11,801,695	14,661,000	16,527,000

(8) Human Resources

Human resource is the valuable asset that is very important to have the Company developed and achieved the goals, therefore, the Company had regulated the policies which support and develop skills and knowledge as well as the ability to work as a professional so that the employees can convey the knowledge to sugarcane farmers and generate the good service and reliability to customers including take the interests of stakeholders into account as well as participate in the activities of social responsibility.

8.1 Manpower and Compensation

As of 31 December 2016, the Company and its subsidiaries employed 77 full-time workers and 1,044 part-time workers

2013					2014			
Company	Full-Time Workers	Part-Time Workers	Manpower	Compensation (Baht)	Full-Time Workers	Part-Time Workers	Manpower	Compensation (Baht)
BRR	99	68	167	50.93	112	74	186	61.52
BSF	265	632	897	130.28	300	739	1,039	155.56
BEC	69	3	72	15.51	70	-	70	17.68
KBF	22	41	63	10.38	22	55	77	11.22
BRD	129	55	184	39.94	132	47	179	41.84
BPC	-	-	-	-	42	-	42	1.88
BPP	-	-	-	-	-	-	-	-
Total	584	799	1,383	247.04	678	915	1,593	289.80

2015					2016			
Company	Full-Time Workers	Part-Time Workers	Manpower	Compensation (Baht)	Full-Time Workers	Part-Time Workers	Manpower	Compensation (Baht)
BRR	129	72	201	76.71	136	81	217	79.80
BSF	277	790	1,067	179.87	295	876	1,171	164.94
BEC	71	0	71	19.42	64	0	64	17.15
KBF	41	42	83	16.71	42	42	84	16.10
BRD	142	49	191	46.42	140	45	185	46.78
BPC	50	0	50	12.82	51	0	51	12.54
BPP	-	-	-	-	48	0	48	11.84
Total	710	953	1,663	351.95	776	1,044	1,820	349.15

The compensation of employees as mentioned above is considered in the satisfactory level of the compensation rate compared to labor market. The compensation is included by salary, wage, shift, overtime, bonus, allowance and provident fund.

8.2 Provident Fund and Other Benefits

Provident Fund

The Company and its subsidiaries established the provident fund on August 22, 2013 and appointed SCB Asset Management Company Limited (SCBAM) as the manager of provident fund in order to support the long-term saving and create the guarantee to employees and their family in case of resignation, retirement, disability and decrease.

Additionally, the provident fund is the motivation for employees to work with the Company and its subsidiaries in long term because of the long-term returns which generate the sustainability in term of human resource and human resource management for the Company and its subsidiaries as well. Employees and the Company shall pay the allowances in provident fund in the period of fifteen day per times according to the term of salary payment. In 2016, the Company paid the allowance for provident fund totaling 4,797,484 Baht. In addition, the number of employees who are the member of provident fund for long-term saving is currently 707 workers from 776 full-time workers

The provident fund consists of 4 parts which are contribution from employees, contribution from employers, benefit of contribution from employees and contribution from employers. Nevertheless, the proportion of contribution from both employees and employers classified by the period of employment are as follows.

The period of Employment	Contribution from Employees (%)	Contribution from Employers (%)
Less than 5 years	2	2
More than 5 years but less than 10 years	2,3	3
More than 10 years but less than 15 years	2,3,4	4
More than 15 years	2,3,4,5	5

According to the fiscal year on 31 December 2016, the Company paid for contribution in amount of 4,797,484 Baht which was allocated to the contribution for high level executives (from the position of Assistant Managing Director up above) of the Company and its subsidiaries in 2015 compared to 2016. The details are as follows.

contribution for high level executives	2015		2016	
	Persons	Amount	Persons	Amount
BRR	8	823,784	9	868,253
Subsidiaries	9	768,750	10	846,213

Other Welfares and Benefits

Other welfares and benefits consist of child benefits, child tuition, medical fee, medical aid supplies, life insurance, accident and health insurance, annual physical examination and other facilities such as shuttle bus, transportation and house for workers.

■ Shuttle Bus and Transportation for Employees

The Company provides the roundtrip shuttle bus for employees from factory to Buriram district therefore employees can take the bus according to route line set by the Company.

■ The House for Workers

In order to provide the welfares for employees who have no permanent residents or no facilities to go for work, however, the necessary and the sufficiency of residents will be considered for employees.

■ Accident and Health Insurance

- The Company will provide the accident insurance for full-time employees who pass the probation period. The type of insurance shall be classified by the level of the position.
- The Company will provide the health insurance for full-time employees who pass the probation period and work in the position of manager and higher.

■ Medical Room and Nurse in Workplace

The Company provides the medical room and nurse in workplace to look after employees who are injured in general cases and provide the first aid. In case of serious accidents, the Company shall provide the van with medical equipment to send the patients to hospital respectively.

■ Scholarship

The Company gives scholarships for employees to study in higher level in order to apply the knowledge and skills in work. Any employee who requires the scholarship shall have the qualifications as specified in the regulation of the Company.

■ Sports Day and Party

The Company supports the employees to play any sports to have a healthy mind and body therefore the sport day is organized to keep relationship closer. Furthermore, the Company also organizes the annual party in order to keep relationship between executives and all level of employees get closer.

■ Employee Welfare Store

The Company established the employee welfare store for employees to register a member in order to get privileges to buy products in special price and get the dividend in the end of every year. The committees of the store shall determine the amount of the stock for member registration each year.

8.3 Health Support and Safety

Health and safety of all stakeholders in the Company is the most important issue. The Company has operated the business according to laws concerning to health and safety strictly and aims to develop and enhance the quality performance of the Company from the first process of production to the product distribution therefore the examination of production system and operation system in factory is provided constantly in order to build the trust in product quality to the customers and also the safety to employees respectively.

The Company realizes and concerns about the safety on life quality of all employees that can be affected from the operation process. Therefore, the Company reviewed and established the policy of occupational health and safety and environment in 2016 and prescribes in handbook of corporate governance and code of conduct which was approved by Board of Directors' meeting of Buriram Sugar Public Company Limited on 23 February 2017. The details about occupational health and safety are as follows.

■ Policy of Occupational Health and Safety and Environment

1. Determine to practically participate in employee and social responsibility in term of occupational health and safety constantly.
2. Cultivate the consciousness on the occupational health and safety in all level of employees practically and constantly.
3. Prevent the accident in workplace and control all the operations in the standard level.
4. Provide the terms and conditions concerning to life and property safety for employees in workplace including the sufficiency and quality of equipment and their appropriate maintenance.
5. Determine to practice in accordance with the rules of safety and wear the safety equipment individually as specified by the Company.
6. Educate and train the employees about this issue and also create the environmental awareness as well.

■ Preventive Measures in Injured or Accident Case

1. The medical room and nursing staffs operates 24 hours with fully medical equipment.
2. Emergency van is provided in case of accident in work hours and after hours.
3. Contact the hospital staffs and follow the treatment, the preferential treatment and provide the document delivery service to Social Security Office and also take care the patients until release from hospital. For example, provide the transportation to meet the doctor both in workplace and outside workplace, provide gifts for visiting the employees both admit in the hospital and stay a home for treatment.
4. Follow, investigate and report the accidents in order to find out the solutions, not to happen twice.

■ 2016 Annual Safety Activities

The Company organizes the safety activities continuously to convey the academic and practical knowledge to employees as follows.

First Aid Training

This event was organized on 15 July 2016 with 71 employees who participated in this event at training room, Buriram Sugarcane Research and Development Company Limited and lectured by lecturers from Ekachon Buriram Hospital.



Operation in Confined Spaces

This event was organized on 29 July 2016 with 37 employees who participated in this event at training room, Buriram Sugarcane Research and Development Company Limited and lectured by Mr. Songsak Kortaisong, safety professional level and teams from Pangolin Safety Products Company Limited.



Basic Fire Fighting and Evacuation Fire Drill Training

This course was lectured by lecturers from Leader Fire Safety Company Limited, organized on 4 October 2016 to 60 employees of Key Brand Fertilizer Company Limited, on 5 October 2016 to 60 employees of Buriram Sugar Factory Company Limited and on 10 November 2016 to 60 employees of power plant business group at outdoor area and training room of each company.



2016 Annual Safety Activity Week

The Company organized the activity to build the self-awareness on safety in workplace in order to decrease losses through edutainment activities and gave the rewards for any department that was no injured and accidents throughout 2016, rewards for division manager who wore the appropriate safety equipment individually or annual excellent 5 Sor reward. This event was collaborated with governmental and private sections such as social security office.



2016 Annual Health Check Up



The Company was awarded by Ministry of Labour as the provincial 2016 annual winner of excellent workplace in occupational health and safety and environment.



The Company established the committees of occupational health and safety and environment for operation. Additionally, the committees surveyed the safety in operation 3 times which was in August, September and October.

8.4 Human Resource Development

Human Resource Development is one of the sustainable and practical business goals of Buriram Sugar Public Company Limited (BRR). The company decided to supervise the Human Resource Development Policy, which is included in the good cooperate governance guide and the Code of Conduct that will be endorsed in 2017 (According to the company Board of Directors second meeting approved on 23rd February 2017). The details of the Human Resource development policy are specified in Part 6: Policies, Overview and goals of sustainable and practical business in this annual report. For more information please visit the company website.

The guidelines in Human Resource Development of the company was conducted as follows:

- **Training to expand knowledge**

Each year, every department has budget for additional trainings for all staff members in order to expand their professional knowledge including the training within the company or having an external experts.

- **The Cooperation with external organizations for staff development**

With cooperation of Department of Skill Development, staffs are entitled to develop their skills in order to be above standard so that they receive the salary adjustment based on the minimum rates according to the Department of Skill Development.

- **Scholarships**

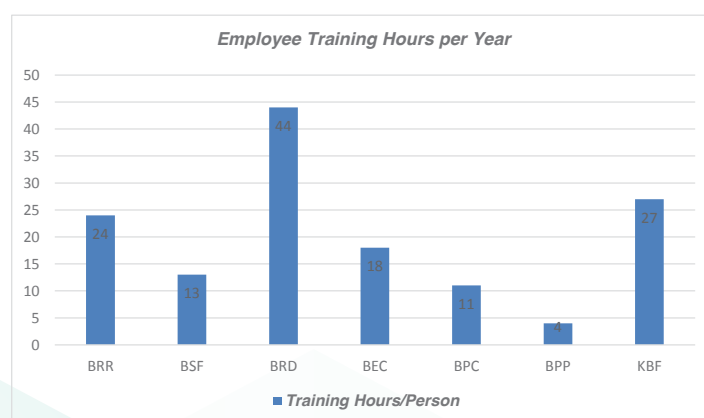
The company will provide scholarships for staff members in higher education and graduate studies. The condition is that the staff must use their knowledge to work for the company.

Training in 2016, Buriram Sugar Public Company Limited (BRR) conducted training plans according to the principles of quality management of ISO 9001:2008 as the basic guideline for staff development. The plans will be specified for office, factory and various stakeholders to achieve constant improvement including arrange the training course within the organization. This can be done by improving all staff member development in several fields of knowledge such as production, maintenance and the provision of technological knowledge on the sugar industry and other relevant energy business. The key of the training and development is to track and measure the results including the instruction for related people by the development guideline of 10/20/70. Ten percent of knowledge and skills are from training, twenty percent from mentors, and seventy percent learning from experience by applying the knowledge, exchanging that and new skills with others.

Example of human resource development for staffs of raw material and farming department aim to improve the production and educate sugarcane farmers by planning and arranging the Best Practice for Knowledge Sharing within the organization and the dissemination of success. This can be seen through the new technology to improve the growing of sugarcane to more than 100%, weed-controlling technology, the use of hormones to increase the growth, etc. The company has arranged the training for technician and mechanics by cooperating with the Department of Skill Development, Buriram Rajabhat University, Khu Mueang Technical College and other stakeholders in order to improve understanding uses of machines, tools, lubrications used in the factory, and maintenance.

According to the guidelines for the development of the Organization, the company has always provided supports for staffs by providing scholarships in Bachelor degree and Master degree, encourage to do job shadows in leading organizations in the same industry according to the summary in Human Resource Development and relevant training courses which is expected to help improve proficiency of staffs.

Employee Training Hours per Year (2016)



Types of Training Course, Number of Participants and Employee Training Hours of Buriram Sugar Public Company Limited in 2016

Types of Training Course	Number of Participants	Training Hours	Total Training Hours
Environment	11	30	96
Occupational Health and Safety	630	133	4,144
Quality Control	331	168	2,346
Good Governance and Ethics/ Laws/ Anti-Corruption	11	36	78
Knowledge and Skill Development in Work/ Leadership Skill/ Communication Skill and Others	989	671	9,802
Total	1,972	1,038	16,466

Example of Internal and External Training Courses in 2016

Executive Level

- CAC (Coalition Against Corruption)
- Ethical Audit
- RME : Enterprise Risk Management
- COSO
- Leadership Realignment for BRR Leaders
- Corporate Budgeting Planning
- Financial Report Update

Management Level

- Sustainability Report
- Self-awareness in CSR
- Risk management in the organization
- Audit Manager Tools and Techniques
- Preparation for factory and building control to verify and certify the energy management
- High level leadership skill for excellent organisation

Operation Level

- Code of conduct
- Heavy equipment maintenance
- Analysis and comparison of environment and safety regulations, hazardous substance and chemicals
- Occupational health and safety
- GMP/HACCP Animal carriers control
- Operations in air pollution treatment

For the activity in 2016, the company has arranged “BRR INNOVATION AWARD 2016” which has attracted attention from many employees and there were 32 projects submitted to the contest. In addition to the product or innovation that can be used for the benefit of the organization, this project also has encouraged team work in order to achieve the company's goals.



The Human Resource Development Plan for 2017

The Human Resource Development plan of the company in 2017 aims for quality systematic development according to ISO 9001, ISO 14000, ISO 18000, GMP, and HACCP, the pest management and the security such as fire evacuation, first aids, etc. The plan also include the process to make awareness of organization, risk management or the good governance skills development courses as deem necessary.

8.5 Human Rights and Labor

Buriram Sugar Public Company Limited (BRR) prioritizes on human rights and labor issue by establishing the policy in 2016 which has been included in the good cooperate governance guide and the Code of Conduct (According to the company Board of Directors meeting approved on 23rd February 2017). The detail about Human Rights and Labor are as follows:

- **Respect for Human Rights**

1. Buriram Sugar Public Company Limited (BRR) does not support activities that violate human rights in all respect, instead, promoting the human rights.
2. Treated everyone equally with respect and honor without discrimination of race, nationality, religion, gender, etc.
3. All employees must not violate the other human rights either verbal or action.
4. Act with caution to avoid violated the human rights. If found any suspicious activities they have to inform the supervisor.
5. Buriram Sugar Public Company Limited (BRR) will keep personal information of its employees. Unless the act according to the law or regulation of the company.

- Labor

1. Treat the employees according to the labor laws and regulations with fairly and equally.
2. No discrimination and equal employment practice in recruitment, compensation, welfare, etc.
3. Do not use child labor, illegal immigrant or labor from human trafficking.
4. Do not punish employees physically and mentally or other violent methods.
5. There is correct and transparent investigation about employees' mistake before the termination.
6. Only hiring the contractor who operates correctly according to the labour law to avoid any corruption.



Throughout the year 2559, Buriram Sugar Public Company Limited (BRR) always inhibits child labor issues. On 18th March 2016 Buriram Sugar Co.,Ltd has signed a cooperation agreement on preventing and solving issues of child labor and forced labor with the government agencies and sugarcane farmers association in Buriram with great honor from Mr.Saeree Srihadtra, the Governor of Buriram, acts as the Chairman of this agreement at the city hall of Buriram. This is to prevent and create an awareness of child labor issues to the community. The company has also encouraged sugarcane farmers nearby the factory to prevent the child labor with support of the Labor Protection and Welfare Office of Buriram.



Corporate Governance

Corporate Governance Policy

The Board of Directors recognizes the importance of corporate governance implementation within the company. An aim to run Buriram Sugar Public Company Limited (BRR) with fairness and considering the stakeholders is our priority. In 2016, the Good Corporate Governance Policy and the company's Code of Conduct have as well as other policies have been reviewed and amended. The Board of Directors' Meeting 2/2017 held on 23 February 2017 has approved the publication of Good Corporate Governance Policy and company's Code of Conduct booklets for each department of the company and on the company's website www.buriramsugar.com where everyone can equally have access to the information.

This review and amendment of the Good Corporate Governance were created in line with the guidelines of the Stock Exchange of Thailand which cover the good corporate governance principles in 5 categories below:

1. Rights of Shareholders
2. Equitable Treatments of Shareholders
3. Role of Stakeholders
4. Disclosure of Information and Transparency
5. Responsibilities of the Board

More details of each categories can be found in the Company's Good Corporate Governance and Code of Conduct Guidance on the company website.

1) Rights of Shareholders

Buriram Sugar Public Company Limited (BRR) recognize and prioritize about fundamental rights of shareholders such as trading or transferring of securities, receiving the proper information of Buriram Sugar Public Company Limited (BRR) and subsidiary and the right to vote in shareholder meeting about a significant change of the company. The Board of Directors has set guidelines for various actions to preserve the rights of shareholders, including promoting and facilitating is as follows;

- The company recognizes the importance of shareholders; therefore, the location and reception must be at their convenience. Thus, the shareholders annual meeting 2016 was held on 21 April 2016 at 10.AM at floor 3 of Anoma Grand Hotel situated in the heart of Bangkok, Rajprasong area, where transportation is convenient for shareholders as there are options for them to travel either by BTS, buses, taxi, or even ferries. For those shareholders in the

headquarters area, Buriram, two vans were provided to facilitate shareholders with the most convenient way of transportation.

- Annual Meeting Calendar had been created a year in advance of that of the year after in which Shareholders General Meeting was scheduled beforehand so that the board directors were aware and could announce the next Shareholders Annual Meeting of 2016 two months ahead of time. This would let shareholders manage their time and plan their attendance at the meeting. Shareholders were notified about the meeting on 26 February 2016 via news feed system of Set Portal. List of shareholders entitled to attend the Shareholders Annual Meeting of 2016 was also announced at the same time as information about dividend, book closing date, and dividend payout date. The notification happened on the same day of the board director's approval.
- Send an invitation of the shareholders meeting along with the document to the shareholders in advance according to the law or at least 21 days before the meeting. In order to provide sufficient time to study the information by given date, time, places, meeting agenda, etc. to avoid adding any other agenda that is not informed in the invitation.
- If the shareholders cannot attend the meeting in person, they may appoint an independent director or any other person to attend by using the proxy form that sent with the invitation letter.
- Before the start of shareholders meeting, the company will clarify how to voting and counting the votes by following the company's regulation.
- The chairman will allocate sufficient meeting time and conduct the meeting with fairness by giving an opportunity for the shareholders to suggest and ask question thoroughly.
- Use the voting card and barcode system for easy and fast counting in the shareholders meeting which include arranging the auditor and lawyer to witness in vote counting and also disclosing the report of the meeting of shareholders with agree, disagree and abstained vote. The proxies from shareholder in attendance can witness the vote counting as well.
- Reveal the resolutions of the shareholders' meeting to shareholders, investors and the public equally via SET Portal of the stock exchange before 9 A.M. the next day after the meeting including the preparation of minutes correctly and completely. Also publishing the meeting report via the company website within 14 days after the meeting so the shareholders can review them and send to the stock exchange and the Ministry of Commerce within the period required by law.

- Reveal the information to the shareholders correctly and completely via the company website, the stock exchange, the Securities and Exchange Commission.
- In addition, all shareholders of the company can use their rights as owners to control the works of company through the board of directors. Shareholders have the rights to nominate a person to be elected as directors of the company and can vote for directors in general meeting of shareholders annually. According to the company regulation item no.14 (1) The 1 stock with the 1 sound, and also have the right to make decisions on major changes of the company.
- The company encourages shareholders to obtain the other basic rights that should have been, such as, treating all shareholders equally, giving an opportunity to present the agenda and propose qualified person to be considered for the election as a director for the annual general meeting by published criteria and procedures to proposed in the agenda, and the name of the person in advance on the website of the company since November 1st until January 31st of the following year for a period of 3 months. To provide shareholders with appropriated time to review and process the request to present at the meeting of the board of directors for considering before offering the next shareholders ' meeting.
- Shareholders have the rights to suggest and question in the shareholder meeting to have the consensus decision in order to propose to Board of Directors ("BOD") or executives to answer or clarify the inquiries, for example, the consideration of any form of remuneration for BOD and sub-committees, the agenda to consider and approve the dividend distribution through notify the dividend policy and dividend payout compared to the previous year with facts and other related documents, the agenda to nominate the directors individually by considering the qualification namely education, training courses, working experiences in the Company and its subsidiaries, profile as the director or executives in other listed companies or organizations, terms and conditions of nomination, types of directors as required by the Company, for instance, director or independent director who has no illegal actions. In case of reappointment of directors, the information related to meeting attendance, appointment date and the period of tenure shall be provided to shareholders. Furthermore, the agenda to consider and approve the remuneration shall provide terms and conditions concerning to the determination of remuneration for directors and sub-committees in each position, the agenda to appoint the auditors and determine their remuneration shall provide the name lists of 1 primary auditor and 2 secondary auditors totaling 3 auditors in order to perform the duties in case the primary auditor is unavailable to perform the duties to the Company therefore the information provided to shareholders is namely the opinions of auditor responsibility, non-related to directors, executives and relevant persons including remuneration compared year over year divided into

audit fee and non-audit fee with description in case of the remuneration is increased. Nevertheless, the Company shall not add any agenda which has not informed shareholders in invitation letter so that shareholders can acknowledge the information attributed to agenda before making decision.

- In addition, the Company also facilitates the institutional investors to attend the shareholder meeting. In the date of shareholder meeting, the Company provides the facilitation for shareholders and investors equally. For example, set up the document examination areas sufficiently registered by barcode system which is fast and convenient, shareholders shall register to attend the meeting before the meeting starts not less than 1 hour 30 minutes until the meeting shall be finished. In addition, the Company also provides the revenue stamp used for proxy form. Furthermore, the Company shall not ask for further document apart from the specified document, for example, the identification card of proxy including the desserts to greet attendees appropriately.
- Furthermore, chairman of BOD and directors prioritize the shareholder meeting. According to the previous year (2016) of Annual General Meeting on Thursday 21 April 2016, chairman of BOD and directors entirely attended the meeting including all sub-committees, for example, chairman of audit committees, audit committees, chairman of risk management committees, risk management committees, chairman of executive committees, executive committees (the Company had not appointed corporate governance committees and nomination and remuneration committees at that time.) including high level management executives of the Company, particularly executives in accounting and finance as well as company secretary in order to meet and answer the inquiries of shareholders. An independent legal counsel from the outside will be invited by the company for being a witness in the meeting of shareholders to supervise the shareholders' meeting to be transparent and comply with the laws and regulations of the company.
- The consideration of agenda meeting has proceeded according to the defined agenda which has informed in the invitation letter so that the shareholders can consider in the part of their interest. For example, the shareholders can attend the meeting after it has been started.
- The shareholders can register for attending the meeting after it has been started. They have the rights to vote for agenda item which is on considering process and it has not voted yet.
- In order to shareholders to ensure that the company has an operational structure with transparency and accountability, the company clearly discloses the shareholding structure in

subsidiaries on the company's website, and also in the annual report, including the statements (form 56-1).

2) Equitable Treatments of Shareholders

Buriram Sugar Public Company Limited (BRR) treat all the shareholders equally and fairly by follow the company's policies as follows:

- Allow one or several shareholders to hold at least 10,000 shares or more and continue until the closing date of registration which is a period of at least 12 months. They can offer more agenda or nominate the director prior to the annual general meeting of shareholders which will publish the criteria proposed agenda and nominate qualified to be the director via the company website for a period of 3 months. Then the nomination and remuneration and the good governance committee will review it before presenting to the Board of Directors for consideration.
- Send an invitation to the shareholders according to the laws and the regulation both in Thai version and English version before the date of meeting in order to provide the shareholders with sufficient time to study the information and offer opinion and suggestion more efficiently. The invitation letter will be stated the purpose of the proposed agenda, including the opinions of the board directors and other supporting documents, for example, proxy Form A., Form B. and Form C. according to the Department of Business Development, Ministry of Commerce. the statement of proxy method, the company regulation about the meeting of shareholders, the criteria and practice to attend the meeting of proxy and voting, documents for each agenda item and the map of meeting place. Besides, there is the announcement to
- The attendant in the shareholder meeting will consider and vote on agenda without major changes or adding any unnecessary agenda without informing the shareholders in advance in order to provide shareholders to study the information before making a decision.
- If the shareholders cannot attend the meeting in person, they may appoint an independent director or any other person at least 1 person to attend and vote in the meeting by putting the name of the representative in the invitation reply.
- Encourage the use of voting cards for important agenda such as the transaction acquisition or disposition of assets for transparency and accountability. In the agenda for the election of the director the shareholders have the right to appoint the directors individually.

Guideline to preserve and protect the inside information in written form and inform all staff members to practice. All executive have a duty to report the holding of securities to the Board of

Directors according to the Part 3: The Code of Conduct in regulation Article 2.2 conflicts of interest and maintaining confidentiality.

3) Role of Stakeholders

Buriram Sugar Public Company Limited (BRR) recognize and prioritize on the right of all stakeholder such as shareholders, employees, customer, business competitor and partner, creditor, nearby communities and environment and the government agencies and other related organizations. The company will follow the law and regulation to provide the right of stakeholders with good care. The Board of Directors has the policies for stakeholders as follows:

Shareholders	Treat the shareholders with honesty and fairness also reveals the important information including financial and other information correctly and timely. Consider the basic right of the shareholders such as right to attend and vote in the meeting and other right according to the company's law and regulation
Employees	Treat all employees with fairness by provide proper compensation and welfare. Improve the security and work environment including encourage the employees to improve their ability in working.
Customers.	Prioritize in quality product and appropriate service with proper price in fair condition which include keeping the customer's confidentiality and arranges the communication channel for customer to receive suggestion and complaint.
Business partner.	Maintain the business relationship with fairness and have good governance including following the rule or regulation related to the environment, security and proper payoff to the business partner.
Business competitor.	Support the free and fair business competition by following the rule. Avoid using corrupting method or accuse the competitor to lose the popularity without evidence.
Creditor.	Follow the contact and agreement with the creditor strictly and fairly by ensuring the creditor about the financial status and ability to pay the debt.
Community, society and environment.	Take responsibility in the community or society that the company doing business within. Including follow the law and regulation about the environment strictly. Also instruct all employees to consider the impact on the environment and natural resources and encourage them to participate in community activities.

Government agencies and other related organizations	Cooperate with the government agencies and other related organizations in academic or other activity that benefits the community and society including CSR and anti-corruption policy in order to perform properly and appropriately
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As a guideline for all staff members to treat the stakeholders properly and fairly, the company has create the Code of conduct for all stakeholders. The detail appears in Part 3: The Code of Conduct in regulation Article 3 the Code of conducts for stakeholders and in regulation Article 1.2 the anti-corruption policies.

4) Disclosure of Information and Transparency

Buriram Sugar Public Company Limited (BRR) prioritizes on the report that sent to the stock exchange, the Securities and Exchange Commission, shareholders and related agencies. The company has created policies to reveal the important information as follows:

- Disclose the financial and other information related to the business and the turnover truthfully and properly. The financial statements must be examined by auditors that are required by accounting standards and the approval of the Audit Committee and the Board of Directors before reveal it to the public.
- Disclose the information via different channel such as the stock exchange and the Securities and Exchange Commission website in order to inform the shareholders and related person about the information thoroughly.
- Reveal the duty of the Boards of Directors including information on the number of times that the directors of each attendee and compensation policies and types of compensation of the Board of Directors and executives in the annual registration statement (form 56-1) and the annual report.

In investor relations matters, the company has established the specialize agency to communicate and provide the information to the shareholders, institutional investors and analysts. In addition, the disclosure of important information appears in Part 3 Code of Conduct Article 2.2, conflicts of interest and maintained confidentiality.

In the part of investor relations, the company has established a specific unit to contact and provide the information to shareholders, institutional investors and analysts, including the relevant agencies. Besides, the disclosure of information will be in accordance with the details as shown in the part no.3 , business ethics and item no. 2.2, conflict of interest and information confidentiality.

- In terms of disclosing information to investors in 2016, the investor relations of the company also communicate important information to all investors, institutional investors, individual investors, shareholders and securities analysts both inside and outside the country, by providing the information in both Thai and English for presenting to investors, allowing them to know and be aware of the importance of disclosing information that should be correct, complete, clear and transparent. The company has notified the detail of contact of the investor relations. They are set in the company's website and in the page of related contacts in this annual report. The activities that investor relations have presented to investors are as follows:

Activity in 2016	Number of Time/ Year
Company Visit - Shareholder - Analyst	- Shareholder 1 time on February 24-25, 2016 - Analyst 10 times
Conference Call / Telephone Call	80 - 100 Calls
Information Request via E-mail	65 Emails
Analyst Briefing	3 times
International Roadshow	1 time
Domestic Roadshow	1 time

In the part of Company Visit activity of shareholders was held on 24-25 February 2016. There were 50 shareholders to attend this activity. A majority of shareholders who were interested in this activity were the minor shareholders. The company has set to arrange the Company Visit activity one times per year to present the investors about the operations of the company. Inviting all shareholders equally by sending the invitation letters through the post office, and announcing via the company's website and selected with the method of First Come First Serve.

Company Visit by Shareholder on February 24-25, 2016



5) Responsibilities of the Board

1.1 The Board of Directors' responsibility.

The Board of Directors has responsibility to the shareholder about the doing business by follow the law and regulation, objective and resolution of the shareholders' meeting with honesty considering the benefit of the company as the first priority. The Board of Directors has responsibility as follows:

1.1.1 Composition, qualifications and appointment

1. The Board of Directors must consist of at least 5 Directors and half of the company Directors must be resident in the Kingdom of Thailand.
2. The Board of Directors consists of Executive Director and non- Executive Director which must be qualified according to the rule of the Securities and Exchange Commission including the independent directors have to be equal or more than 1/3 of the total number of directors.
3. Directors must be qualified according to the law and no disqualification or showing lack of proper to be entrusted to manage public affairs according to the Securities and Exchange Commission and the securities and exchange Act in 1992 (including the amendments).
4. Directors must come from a variety of highly qualified professions that necessary for management. This should consist of people who have knowledge or experience in this field of business, agricultural crops especially sugar cane, biomass energy, including legal and accounting and finance.

5. The Directors must not hold share, entrepreneurship, or be a Director in the partnership or foreign companies that have the same or compete with the affairs of Buriram Sugar Public Company Limited (BRR) unless it has been informed in the shareholders' meeting prior to the appointment.
6. Election of Directors in accordance with the nomination process and the appointment of the Company which must be transparent and clear. The appointment and the removal of the Directors have to be decided in the shareholders' meeting according to the rules, regulations and procedures of Article 14. The shareholders' meeting has to elect Directors by a majority counting 1 share with 1 voice and vote for the director individually. The people who have received the highest votes in descending order are elected as Directors. If someone that elected in descending order has an equal vote results which exceeds the number of Directors appointed or elected on that occasion, the Chairman of the shareholders' meeting has to decide the final vote.
7. The Board of Directors can choose one of the directors to be the Chairman and choose one or more as the Vice President of the company if they find suitable.

1.1.2 Tenure and retirement.

1. The Board of Directors has tenure according to the regulation Article 15 which requires the Company to attend the annual general meeting .The Directors who are in the position longest shall retire from the position of 1/3 or nearly as possible but the Directors who retired by rotation may have been select to the same position in the future.
2. Apart from the retirement by rotation the Directors will be retiring as follow situation
 - i. Deceased.
 - ii. Resign.
 - iii. Incompetent or take any illegal action.
 - iv. The shareholders' meeting decision.
 - v. The court order.
3. The Director of the company who resigned from the position will need to submit a resignation which will be in force from the date of the resignation to the company.
4. In the case of a director becomes vacant due to reasons other than retirement by rotation, the Board of directors has to select the qualified person as directors of the

company until ending of the tenure of the Directors they replace. The vote on this agenda must contain not less than 3/4 of the remaining Directors.

5. The shareholders' meeting may pass a resolution to remove directors. According to the agenda with a vote of not less than 3/4 of the amount of shareholders' meeting and holding shares not less than one-half of the shares held by the shareholders present at the meeting (including the amendments).

1.1.3 The independence of the Board of Directors.

1. The Board of Directors must be neutral because The Board of Directors is the representative who has been selected in order to protect the interests of all shareholders.
 2. The Board of Directors should have leadership, vision and independence in making decisions for the benefit of the company and all shareholders. The Chairman must be able to control the operation of the executive or management department effectively.
 3. The Board of Directors should provide a separation of roles and responsibilities between the Board and the management clearly.
 4. Maintain the balance of power within the Board of Directors so everyone can comment freely. Therefore, the composition of the Board of Directors shall consist of the Director who is an executive and non-executive.
 5. The independent directors need to access financial data and business information adequately. In order to comment freely and preserve the interest of all shareholders and company.
 6. The independent directors must qualify as independent according to the Securities and Exchange Commission as well as other features are required then it will be proposed to the shareholders' meeting to appoint independent directors, at least 1/3 of the total number of directors and shall consist of not less than 3 persons. The qualification of the independent directors must comply with the Securities and Exchange Commission No. 28/2008 for permission and grant of permission to offer newly issued shares on 15th December 2008.
- Holding shares less than 1% of the total number of voting right of all the company, the parent company, a subsidiary, associated company and major shareholder including related persons of the independent directors.

- Not being or was a company Directors who involved in administration employees, consultant or has an authority to control in every kind of the company unless retirement by rotation for more than 2 years excluding the case where the independent director used to be a government official or consultant in the government agency which is the major shareholder or controlling person of the company.
- Do not have any relationship by blood or registration by law with the executive or the major shareholders such as parents, sibling, spouse and child.
- Not being or was in business relation with all kind of company unless retirement by rotation for more than 2 years.
- Not being or was the Auditor in all kind of company unless retirement by rotation for more than 2 years.
- Not being or was a professional service providers including serving as any legal or a financial advisor that earned 2 million baht per year unless retirement by rotation for more than 2 years.
- Not being the Directors who have been appointed as representatives in every kind of the company.
- Do not operate a business as the same as the business of the company or holding more than 1% of the shares with voting rights of all in another company operating business which has the same nature.
- Have ability to provide independent opinions about the operations of the company.
- Not be the Directors who are appointed by the Board of Directors to decide on the operation of the company.

1.1.4 Duty and responsibility of the Board of Directors.

The Board has considered the divided authority and responsibility in governance and policy management clearly. The Chairman of the Board of Directors is not an executive and do not have the power to bind the company and also not the same person as the CEO. Instead, giving support and advice the business management via an executive regularly and the CEO is responsible for the management of the company and its subsidiaries under the powers delegated by the Board of Directors. The Board of Directors has the duties as follows:

- The authority of the Board of Directors.
 1. Manage company for the best benefit to the shareholders with fairness and legal according to the regulation and resolution of the shareholders' meeting and the Board of Directors.
 2. Consider and approve the important matter about the operation of the company such as vision, mission, policies, business strategy, etc.
 3. Supervise the business operation and the management department to achieve the company goal.
 4. Provide accounting system, financial reporting and auditing as well as overseeing the internal control, internal audit risk management and anti-corruption system.
 5. Provide an annual report of the company and the Board of Directors according to the laws and regulations.
 6. Supervise and provide the mechanism of supervision and prevent the conflict of benefit between stakeholders with companies, subsidiaries and associated companies.
 7. Consider and give opinion and present to the shareholders' meeting for approval of the transactions that are significant to the company. According to the law and regulation.
 8. Appoint one of the Directors of the company as Chairman of the Board of Directors and the Vice Chairman according to the appropriate number.
 9. Arrange and change the name of Directors who have the authority.
 10. Recruitment and appointment of person who have knowledge, ability, experience and qualified according to law and regulation to be a Directors. In the case of the position of Directors becomes vacant due to reasons other than retirement by rotation.
 11. Recruit individuals who have the knowledge, ability and experience according to the laws and regulations related to the shareholders' meeting to consider and appoint as the Directors of the company.
 12. The person who has been appointed or nominated as the Directors must have proper knowledge, ability and experience according to the laws and regulations.
 13. Consider the annual and interim dividend of the company.

14. Consider the rule and remuneration of Directors and senior Executive.
15. Considering the amount of the remuneration of the Directors in the company according to the criteria for compensation. Then The Board of Directors has sent the report to the shareholders' meeting to consider and approve.
16. Evaluate the CEO work and consider the compensation amount according to the regulation.
17. Appoint the committees by recruiting the person who have knowledge, ability, and experience and qualified according to law and regulation.
18. Appoint one of the Directors of the company as the CEO including instruct the scope of authority of the CEO.
19. Appoint the secretary by recruiting the person who have knowledge, ability, and experience and qualified according to law and regulation.
20. Arrange the succession plan of CEO position by review the plan annually.
21. Appoint the Directors or other person to have the power to take any action that is within the jurisdiction of the Board of Directors as the Board deems appropriate.
22. Supervise to provide a channel to communicate with each shareholders group and the stakeholders of the company.
23. Supervise to disclose significant information related the company and the subsidiaries correctly.
24. Create and modify laws and regulations within the company.
25. Have Duties and responsibilities as defined in laws and regulations.
26. Create and review the policies and encourage using the anti-corruption policies follow the company Code of Conduct.

The Board of Directors or any authorized person do not have right to have a conflict of interest with any other company unless the approval of the Board of the Directors follow the law and regulation.

1.1.5 The Board of Directors' meeting

1. The Board of Directors has to arrange the meeting at least 4 times a year to consider and approve the annual financial statements and quarterly reports including other important events and meetings.
2. Assign the next year's annual meeting at the end of the year. In order to make the Board of Directors, committees and executives to attend the meeting and give an opinion or approval in any matter.
3. The Board of the Directors must send an invitation at least 7 days before the meeting unless it is necessary and urgent. The directors of two or more persons may request the Chairman to call a date for the meeting within 14 days of the request.
4. The Board of Directors have to received proper and timely information .The secretary will ensure that Directors received the agenda and supporting documents prior to the meeting.
5. Meeting notes have been written and kept as an evident if approved by the Board of Directors.
6. There must be Directors at the meeting not less than half of the number of Directors. If The Chairman cannot attend the meeting then the Vice Chairman will instead take the responsibility. If the Vice Chairman is not present then one of the Directors will be appoint to act as the Chairman.
7. The minimum amount of a quorum of the Board of Directors will be voted at the meeting shall be not less than 2/3 of the total number of directors.
8. Each Director has one voice to vote in the meeting and the decisions of the meeting decide by the majority. If the votes are equal the Chairman of the meeting shall have a final vote.
9. The company's secretary will record the minutes of the meeting.

In the year 2014-2016, the following committee members attended each committee's meetings as follows;

Director name	Number of Attending Meeting								
	2014			2015			2016		
	Board of Director	Audit Committee	Risk Management Committee	Board of Director	Audit Committee	Risk Management Committee	Board of Director	Audit Committee	Risk Management Committee
1. Mr. Anant Tangtongwechakit	8/10	-	1/1	8/8	-	3/4	8/8	-	2/4
2. Mrs. Wanphen Punyaniran	9/10	-	-	7/8	-	-	8/8	-	-
3. Mrs. Jirawan Pongpichitkul	9/10	-	0/1	7/8	-	3/4	7/8	-	4/4
4. Miss Chittima Tangtrongwechakit	10/10	-	1/1	7/8	-	3/4	8/8	-	4/4
5. Mr. Sarit Tangtrongwechakij	10/10	-	1/1	7/8	-	4/4	8/8	-	4/4
6. Mr. Adisak Tangtrongweachakit	9/10	-	1/1	7/8	-	3/4	8/8	-	4/4
7. Mr. Prachuab Chaiyasan	10/10	9/9	-	8/8	7/7	-	8/8	4/4	-
8. Mr. Amnuay Patise	7/7	6/6	1/1	-	-	-	-	-	-
9. Mr. Sirichai Sombutsiri	8/10	8/9	-	6/8	7/7	-	7/8	4/4	-
10. Mrs. Seenual Tasanapant	2/2	2/2	-	8/8	7/7	-	8/8	4/4	-

1.1.6 The Board of Directors' report.

1. The Board will provide a report on the operations of the company and subsidiaries in its annual report to inform the shareholders.
2. The Board of Directors will prepare the financial reports and together with the report of the auditors disclose in annual registration statement (Form 56-1) and annual report.
3. The Board of Directors must supervise every Director of the company to reveal an identity of their own according to the Capital Market Commission Board No. 38/2016 about the criteria, conditions and procedures for disclosure of information about the financial position and the performance of the issuing company (No. 8). For the benefit of the shareholders, investors and the public in the annual registration statement (form 56-1), the annual report and the company website.

1.1.7 Self-assessment of the Board of Directors, the Committees and the CEO.

The Board of Directors must provide an annual assessment of the performance of the company at the end of the year divided into As a Whole and Self-assessment according to guidelines for good corporate governance. In order to review the work, problems and obstacles encountered and to assess their performance in the past year and find ways to improve the efficiency in the next year

The criteria for the self-assessment of the Board of Directors and the individual Directors have reference according to the example of the Stock Exchange of Thailand in 2015. The details are as follows:

- As a Whole.

1. The structure and qualification of the Board of Directors.
2. Duty and responsibility of the Board of Directors.
3. The Board of Directors meeting.
4. Duty of the Directors.
5. Relationship with management department.
6. Self-development of the Board of Directors and Executive.

- Self-assessment.

1. The structure and qualification of the Board of Directors.
2. The Board of Directors meeting.
3. Duty and responsibility of the Board of Directors.

For the process of evaluating, the office of Directors or secretary will send both questionnaire with descriptions and scoring to each of the individual company directors in early December and bring returns within mid-December of the year. After that the office of Directors or secretary will seek the result of both evaluation and report to the Board of Directors in the meeting in order to analyze the causes and find a ways to develop in the future. By rating the score as follow:

Scoring

- 0 = Completely disagree or no action on the matter.
- 1 = Disagree or have little action in the matter.
- 2 = Agree or have moderate action in the matter.
- 3 = Agree quite a lot or have many action in the matter.
- 4 = Completely Agree or have approve all action in the matter.

In addition, the company will provide additional evaluation of committees starting in 2017 and onwards. Also provide both methods that have already mention before.

In 2016, the company is in the process of drafting out a criteria and evaluating methods, including the designing of evaluated form to evaluate the performance of the managing directors at

appropriate to the business of the company. The principles and methods of evaluation for the managing directors appear on the topic "Self-assessment of the Board of Directors, Board committees, and Chief Executive Officer (CEO.)" in handbook of good corporate governance and ethics in business which has been approved by the board of directors since 23rd February 2017. The assessment will be applied to the managing directors for duty in 2017. Criteria and methods of assessment are as follows:

For the evaluation of the CEO, The Board of Directors order to evaluate in every year by using annual evaluation from Corporate Governance Center registered in 2011 of the stock exchange of Thailand as reference. Further study the method of other organizations that work well and deliver the result to all directors for evaluation in early January of next year. In order to inspect total earning of company and deliver to the secretary in mid-January to conclude the assessment and present to the Board of Directors for approval.

Development of the Directors and senior Executive.

The Board of Directors has policies to promote and facilitate training and educating Directors and those involved in corporate governance systems of Buriram Sugar Public Company Limited (BRR) in order to improve and develop the operations more efficient. The Board of Directors is required to pass the training course such as Director Accreditation Program (DAP) or Director Certification Program (DCP) from (Thai Institute of Directors Association: IOD). In addition, the office of Director and secretary will plan next year's annual training ahead at the end of the year together with the Human Resources and Administration department in order to get an approval from The Board of Directors about the training course in the next year. In each year the company will encourage at least 1 director to attend the training course and seminar activities from The stock exchange of Thailand, the Securities and Exchange Commission and the other organization that related to the company.

Training Course Attending in 2016

Name	Surname	Position	Training Course	Date	Venue
Miss Chittima	Tangtrongwechakit	Director, Executive Committee Member, Risk Management Committee Member, Nomination and Compensation Committee Member, Corporate Governance Committee Member and Senior Deputy Managing Director	1. Anti- Corruption:The Practical (ACPG)	14-15 July 2016	Thai Institute of Directors (IOD)
Mr. Adisak	Tangtrongweachakit	Director, Executive Committee Member, Risk Management Committee Member, Nomination and Compensation Committee Member, Corporate Governance Committee Member and Senior Deputy Managing Director	1. Risk Management Program for Corporate Leaders (RCL)	28-29 July 2016	Thai Institute of Directors (IOD)

Board of Director Training Plan in 2017

TRAINING LIST				
No.	Course	No. of Course	Institute	Project Matched
1	Ethical Leadership Program (ELP)	7/2017	IOD	CAC
4	Corporate Governance for Capital Market Intermediaries (CGI)	18/2017	IOD	CG
5	Corporate Governance for Executives (CGE)	8/2017	IOD	CG
6	Successful Formulation and Execution of Strategy (SFE)	29/2017	IOD	Directors
8	Director Certification Program (DCP)	TBC	IOD	Directors
9	Risk Management Program for Corporate Leaders (RCL)	TBC	IOD	Risk Management Directors
10	How to Develop a Risk Management Plan (HRP)	TBC	IOD	Risk Management Directors
11	Role of the Nomination and Governance Committee (RNG)	TBC	IOD	Sub-Committee
12	Role of the Compensation Committee (RCC)	TBC	IOD	Sub-Committee

The orientation of the new Directors.

The Board of Directors must provide the orientation for directors who have been recently appointed by arrange the CEO to introduce other Director and important information to the new Directors.

In addition, the new Directors must attend the necessary training course such as Director Accreditation Program (DAP) or Director Certification Program (DCP), Audit Committee Program (ACP)

(In case of the Audit Committee) from Thai Institute of Directors Association (IOD) and other related training course.

1.5.10 The number of listed companies that the Directors or CEO are in charge.

The Board of Directors recognizes the importance of dedication of the Directors and CEO in their work. The Board of Directors has policies about the number of listed companies and other company that directors or executives were in charge according to the good governance principle. As follows:

1. The Directors can be in position in other listed companies not more than five organizations and not a type of business that in competition with Buriram Sugar Public Company Limited (BRR).

2. The CEO must receive an approval from the Board of the Directors before be in position in other company that are not the subsidiary of Buriram Sugar Public Company Limited (BRR).

1.5.11 The remuneration of Directors, Committees, and Executives.

The Board of Directors is aware of remuneration to all Directors and Executive so they appoint the remuneration Committees to review of policies, guidelines for the proper remuneration.

The remuneration Committee will consider the company's total profit, job performance and responsibilities which will bring operational evaluation and compensation data to compare with the other business or industry in the same category with the company based on survey data, summary documents of Committee and Executives of listed companies in 2015 which established by the stock exchange of Thailand.

Both the remuneration of Directors and Executives must be approved by the shareholders' meeting before taking any further action.

1.5.12 The establishment of the Sub-Committee.

The Board of Directors has appointed a total of five committees, namely the Audit Committee, Risk Management Committee, The Corporate Governance Committee, The Recruitment and Remuneration Committee and Executive Committee to carry out specific duties as assigned by the Board of Directors in order to keeps business running smoothly according to the principles of good governance. The board of Directors has prepared a charter of Sub-Committees to determine the composition and responsibilities of the committee. Details are as follows:

- **The Audit Committee**

The charter of the Audit Committee is valid from 14 November 2016.

1. Objective.

The Board of Directors has assigned the Audit Committee to independently comments and suggestions on good governance with a focus on sustainability by reviewing the accuracy and reliability of financial report, internal control, risk management, internal audit, compliance with laws and regulations in order to improve the company's operations effectively and transparently.

2. Composition.

2.1 The Board of Directors or the shareholders will appoint the Chairman of the Audit Committee and the Audit Committee according to the conditions and regulations of the stock exchange of Thailand.

2.2 The Audit Committee consists of at least 3 Directors and at least 1 person must have sufficient knowledge and experience in reviewing the financial statement.

2.3 The manager of Internal Audit Department is secretary of the Audit Committee.

3. Qualification.

Be an independent Director according to the conditions and regulations of the stock exchange of Thailand and can provide comments or report to the duty that assigned by the company independently.

4. Tenure.

4.1 The Audit Committee has the tenure according to the regulation.

4.2 In case the Audit Committee has reason to retire. The Board of Directors must appoint a new Audit Director to full amount of the Committee within 3 months.

5. The meeting.

5.1 The Audit Committee must arrange the meeting at least 4 times a year and the meeting between the Audit Committee and Internal Audit Office at least 1 time a year in order to discuss and approve the internal audit plan, budget and manpower of the Internal Audit Department.

5.2 The quorum of the Audit Committee who attended the meeting must not less than half of the total membership. In addition, each member of the Audit Committee has to attend at least 3/4 of the meeting in that year.

5.3 The Audit Committee may invite management department or related persons to attend the meeting, make a comments or shipping documents as necessary.

5.4 The Directors who have interests in any matter must not attend the meeting or abstain from expressing an opinion on that matter.

6. Duty and responsibility.

6.1 Internal control.

6.1.1 Review the company's internal processes to obtain suggestion and complaint including review the policy and internal control to avoid corruption activity.

6.1.2 Provide a proper internal control and internal audit.

6.1.3 Ensure that the company has proper working process with risk management, control, supervision, technology information and security of the data and communication network.

6.1.4 Provide the Audit Committee with overall performance and annual evaluation.

6.2 Internal audit.

6.2.1 Consider and evaluate the internal control system that the internal audit has already check to ensure the appropriate action of the system.

6.2.2 Consider the independence of internal audit by their work and report including the chain of command. As well as approve the appointment, removal, transfer or dismissal of the Head of the Internal Audit Office.

6.3 Financial and audit reports.

6.3.1 Ensure that the company's financial reports are correct and sufficient by cooperating with the external auditor and administrator who responsible in prepare the financial reports in both quarterly and annual.

6.3.2 Consider and nominate the independent person to act as auditor. As well as arrange the meeting with the auditor without the management department in attendance at least 1 time a year.

6.3.3 Advise the Board of the Directors and the management department to improve the business operation in order to reduce the risk in any matter.

6.4 Following the law and related regulation.

6.4.1 Supervise the company to follow the law and regulation according to the stock exchange of Thailand

6.4.2 Consider the transaction that may have the conflicts of interest follow the law and regulation of the stock exchange of Thailand.

6.4.3 Prepare the report of the Audit Committee disclosure in the company's annual report which must be signed by the Chairman of the Audit Committee and the data must contains at least the following:

- (1) The opinion about accuracy and completeness to make the financial report of the company reliable.
- (2) The opinion about the adequacy of the internal control system in the company.
- (3) The opinion about follow the law and regulation according to the stock exchange of Thailand.
- (4) The opinion about the appropriateness of the auditor.
- (5) The opinion about the Items that may have conflicts of interest.
- (6) The number of Audit Committee meetings and the attendance of each member in the Audit Committee.
- (7) Opinions or overall observation that the Audit Committee has the duty under the charter.
- (8) Other matters that shareholders and investors should know under the scope of duties and responsibilities as assigned by the Board of Directors.

6.4.4 If the Audit Committee find or suspect the list of the following actions which may have a significant impact on the financial position and results of operations of the company. They must report to the Board of Directors immediately.

(1) The Items that may cause the conflicts of interest.

(2) The corruption and unusual activity.

(3) Violation of the law or regulation of the Securities and Exchange Commission and the stock exchange of Thailand.

If the Board of the Directors fails to achieve the objective in time then the Audit Committees will make a report to The Securities and Exchange Commission or the stock exchange of Thailand.

6.5 Other responsibility.

6.5.1 The Audit Committee may seek the opinion of an independent consultant in other profession when deemed necessary. The company will pay all of the expenses.

6.5.2 Review and update the charter of the Audit Committee and present to the Board of Directors for approval.

6.5.3 Carry out any other duties assigned by the Board of Directors with the approval of the Audit Committee.

7. The report.

7.1 Report to the Board of directors within a reasonable time to perform an update. If there is any action that might affect the financial status, operating result, conflict of interest according to the law and regulation of the stock exchange of Thailand.

7.2 Prepared the report of the Audit Committee on the result of the duty by disclose in the annual report of the company.

7.3 Prepare a report on the governance of the Audit Committee by disclose in the annual report of the company. The report must be signed by the Chairman of the Audit Committee

● The Risk Management Committee.

1. Objective.

To assign a risk management policy risk across the organization including supervise the risk management process to reduce the impact on the business of the company.

2. Composition of the Risk Management Committee.

- The Board of Directors will appoint the Risk Management Committee and Risk Management Committee Chairman by nominate the Directors who have sufficient knowledge and experience in risk management.

-The Risk Management Committee will appoint secretary who in charge of risk management. In order to assist about the meeting, prepare the agenda, submission of documents for meetings and meeting notes.

3. Tenure.

- The Risk Management Committee will be in the position for 3 years.

- The Risk Management Directors who retired by rotation may be appointed to the position again. If approved by the Board of Directors.

- Apart from the retirement by rotation the Risk Management Directors will be retiring as follow situation.

- i. Deceased.
- ii. Resign.
- iii. Incompetent or take any illegal action.
- iv. The Risk Management Committee decision.
- v. The court order.

4. The scope of duties

- Provides support to the Board of Directors in determining the policy at the level of acceptable risk.

- Presents an overview of the company's risks and how to manage and track the risk to the Board of Directors.

- Reviewed reporting and risk management and take steps to ensure that risk management is adequate.

- Coordinate with the audit committee by sharing knowledge and information about the risk and internal control effect that may affect the company.

-Make the decision and provide advice on important problems occurred in the process of risk management.

- Support the risk management culture in the organization.

- Evaluate the performance of the Risk Management Committee and report on the annual assessment to the Board of Directors.

-Review the appropriateness of the Charter regularly in every year to ensure that the contents in the charter are consistent with the purpose and strategies in risk management of the company.

- Consider and review the guidelines for the risk management of the company as well as provide the suggestions for improvement.

- Supervise the effectiveness of the risk management process of the company.

5. Responsibility.

The risk management Committee is responsible directly to the Board of Directors based on the duties and responsibilities that have been assigned.

6. The meeting.

- Arrange a meeting at least once a quarter and may invite the Executive officers of the other related company or who saw fit to attend the meeting, comment or submit the information as necessary.

-The quorum of the Risk Management Committee meeting must contain the number of the Directors at least 2/3 in total.

-The Directors who have interests in any matter must not attend the meeting or abstain from expressing an opinion on that matter.

- Each Director has one voice to vote in the meeting and the decisions of the meeting decide by the majority. If the votes are equal the Chairman of the meeting shall have a final vote.

7. The report.

Report on the performance of the Risk Management Committee by disclose in the annual report of the company that signed by the Chairman of the Risk Management Committee.

8. Performance Evaluation.

The Risk Management Committee will evaluate the performance and send the annual report to the Board of Directors.

● The Good Governance Committees

The charter of the Good Governance Committee is valid from 14th November 2016.

1. Objective.

According to the Board of Directors meeting of Buriram Sugar Public Company Limited (BRR) No. 7/2016 on 11th August 2016. They approved the establishment of Good Governance

Committees to formulate and review policies, guidelines and the good corporate governance in order to become a standard in the operation of the company and all staff members including advice and oversee the operation of the Board of Directors according to the Code of Conduct and good governance policy. The company has resolved to set up this Good Governance Committee charter. The details are as follows.

2. Composition, qualifications and appointment

2.1 Composition and appointment.

- Must contains the directors at least 3 members and a majority must be an independent Directors. However, if the organization is still small and the number of personnel of independent Directors is not enough. There must be an independent Director at least 1 people in the Good Governance Committees. The Good Governance Committees must appoint only 1 independent Directors as the Chairman.

- The Board of Directors will appoint the Directors to work in The Good Governance Committees. If the Good Governance Directors are retire by rotation, they may be appointed again by the Board of Directors

- The company will select and nominate the employees to act as secretary of the committees with approval of the Good Governance Committees.

2.2Qualification.

- Impartial and independent according to the principles of corporate governance.

- Have the knowledge and ability to serve as the Good Governance Directors .Including provide advice to the Board of Directors as well as oversees the operations according to the Code of Conduct and good governance policy.

- Be able to devote sufficient time to carry out their duties in order to achieve the objectives of the Good Governance Committees.

3. Tenure and retirement.

3.1 The tenure.

- Directors of good governance have tenure same as the Directors position.

- In case the Good Governance Committee has reason to retire. The Board of Directors must appoint a new Good Governance Director to full amount of the Committee within 3 months.

3.2 The retirement.

- Apart from the retirement by rotation the Good Governance Directors will be retiring as follow situation.

- vi. Deceased.
- vii. Resign.
- viii. Retire from the Directors position.
- ix. The Board of Directors decision.
- x. Incompetent or take any illegal action.

- In case of resigning the Good Governance Directors must submitted the resignation to the Chairman of the Board of Directors.

4. The scope of duties

4.1 Arrange the rules and guidelines according to the Code of Conduct and good governance policy for the standard to all staff members.

4.2 Provide the advice to the Board of Directors and also supervise and oversee the company operation according to the Code of Conduct and good governance policy.

4.3 Supervise the operation of all staff members according to the Code of Conduct and good governance policy.

4.4 Supervise the operation to avoid corruption activity.

4.5 Prepare a report on corporate governance and the duty of the Good Governance Committees to the Board of Directors by disclose in the annual report and annual registration statement (Form 56-1).

However, The Directors who have interests in any matter must not attend the meeting or abstain from expressing an opinion on that matter unless the approval of the Board of the Directors according to the law and regulation of the company.

5. The meeting.

5.1 Arrange the meeting.

- The Good Governance Committee must arrange the meeting at least twice a year or may provide additional meeting as Chairman of the Board of Directors deems appropriate. The Good Governance Directors must attend the meeting at least 3/4 of the amount of the meeting in each year.

- The Chairman of the Good Governance Committees may call the meeting as a special case if necessary.

5.2 The meeting's attendant.

- The Good Governance Committee meeting must contain the Directors more than a half of all membership.

- In case of the Chairman cannot attend the meeting then the Good Governance Committees will appoint 1 of the Directors to act as the Chairman.

- If the Secretary cannot attend the meeting, the Good Governance Committees will appoint someone to act as the representative.

5.3 The vote.

- The meeting decision depends on the majority. If the votes are equal the Chairman of the meeting shall have a final vote.

- The Directors who have interests in any matter must not vote the meeting

5.4 The meeting record.

- The Secretary must record the meeting's report.

6. The Report.

6.1 The Good Governance Committees must report any matter related to the Code of Conduct, the good governance policy, anti-corruption, etc. to the Board of Directors for approval.

6.2 The Chairman of the Good Governance Committees must report the result of performance to shareholders in the annual report and the annual registration statement (form 56-1) by disclosing the details as follows:

- The amount of the meeting.
- The amount of each Director that attend the meeting.
- The result of the operation according to the charter.

7. Evaluating Performance

The Good Governance Committees must evaluate their own performance and report the result as well as the problem and obstacle to the Board of Directors.

8. The remuneration of Directors

The Good Governance Committees will receive appropriate compensation by consider the result of their performance.

- The Nomination and Compensation Committee.

The charter of the Nomination and Compensation Committee is valid from 14th November 2016.

1. Objective.

According to the Board of Directors meeting of Buriram Sugar Public Company Limited (BRR) No. 7/2016 on 11th August 2016.. They approved the establishment of the Nomination and Compensation Committee to consider and nominate and arrange the appropriate compensation for all staff members..The company has resolved to set up this Nomination and Compensation Committee charter. The details are as follows:

2. Composition, qualifications and appointment

2.1 Composition and appointment.

- Must contains the directors at least 3 members and a majority must be an independent Directors. However, if the organization is still small and the number of personnel of independent Directors is not enough. There must be an independent Director at least 1 people in the Nomination and Compensation Committees. The Nomination and Compensation Committees must appoint only 1 independent Directors as the Chairman.

- The Board of Directors will appoint the Directors to work in the Nomination and Compensation Committees. If the Nomination and Compensation Directors are retire by rotation, they may be appointed again by the Board of Directors

- The company will select and nominate the employees to act as secretary of the committees with approval of the Nomination and Compensation Committees.

2.2 Qualification.

- Impartial and independent according to the principles of corporate governance.
- Have the knowledge and ability to serve as the Nomination and Compensation Directors. Including nominate as well as proper compensate to all staff members according to the Code of Conduct and good governance policy.
- Be able to devote sufficient time to carry out their duties in order to achieve the objectives of the Nomination and Compensation Committees.

3. Tenure and retirement.

3.1 The tenure.

-Directors of Nomination and Compensation have tenure same as the Directors position.

- In case the Nomination and Compensation Committee has reason to retire. The Board of Directors must appoint a new Nomination and Compensation Director to full amount of the Committee within 3 months

3.2 The retirement.

- Apart from the retirement by rotation the Nomination and Compensation Directors will be retiring as follow situation.

- xi. Deceased.
- xii. Resign.
- xiii. Retire from the Directors position.
- xiv. The Board of Directors decision.
- xv. Incompetent or take any illegal action.

- In case of resigning the Nomination and Compensation Directors must submitted the resignation to the Chairman of the Board of Directors.

4. The scope of duties

4.1 The nomination.

- Arrange the rules and guidelines for appropriate nomination and compensation according to the Code of Conduct and good governance policy for the standard to all staff members.

- Provide selection and nomination of Directors and senior Executive including the Committees who qualified according to the guidelines. Then report to the Board of Directors and shareholders' meeting for approval.

-Consider and suggest the structure, size and composition of the Board of Directors that appropriate with the company.

-Plan and provide the orientation for new appointed Director including the development plan to improve the knowledge and ability of the company director.

- Prepare and review the succession plan of CEO and senior Executive in order to make the management and operation of the company continuously and effectively.

- Encourage the company to allow shareholders to participate in the proposed list in order to be considered as a Director.

- Disclose the nomination information of all staff members in annual report and the annual registration statement (form 56-1).

4.2 The Compensation.

- Define and review policies, rules, and form the proper remuneration or other benefits to all of staff members with fairness.

- Offer appropriate compensation and other benefit to all staff members to motivate and retain The Directors who have the ability and potential.

- Form the performance evaluation of the Directors and senior Executive for the proper annual compensation.

- Disclose the rules of remuneration and compensation of all staff members and report to the Board of Directors in annual report and the annual registration statement (form 56-1).

4.3 Review of the policy, guideline and nomination and remuneration.

Include the other benefit of all staff members in every year.

4.4 Responsible for any other assignment from the Board of Directors

The authority of the Nomination and Compensation Committee does not include the power to approve any potential conflict that the Directors have the benefit with according to the rule and regulation of the stock exchange of Thailand.

5. The meeting.

5.1 Arrange the meeting.

- The Nomination and Compensation Committee must arrange the meeting at least twice a year or may provide additional meeting as Chairman of the Board of Directors deems appropriate.

The Nomination and Compensation Directors must attend the meeting at least 3/4 of the amount of the meeting in each year.

- The Chairman of the Nomination and Compensation Committees may call the meeting as a special case if necessary.

5.2 The meeting's attendant.

- The Nomination and Compensation Committee meeting must contain the Directors more than a half of all membership.

- In case of the Chairman cannot attend the meeting then the Nomination and Compensation Committees will appoint 1 of the Directors to act as the Chairman.

- If the Secretary cannot attend the meeting, the Nomination and Compensation Committees will appoint someone to act as the representative.

5.3 The vote.

- The meeting decision depends on the majority. If the votes are equal the Chairman of the meeting shall have a final vote.

- The Directors who have interests in any matter must not vote the meeting

5.4 The meeting record.

- The Secretary must record the meeting's report.

6. The Report.

6.1 The Nomination and Compensation Committees must report any matter related to the Code of Conduct, the good governance policy, anti-corruption, etc. to the Board of Directors for approval.

6.2 The Chairman of the Nomination and Compensation Committees must report the result of performance to shareholders in the annual report and the annual registration statement (form 56-1) by disclosing the details as follows:

- The amount of the meeting.
- The amount of each Director that attend the meeting.
- The result of the operation according to the charter.

7. Evaluating Performance

The Nomination and Compensation Committees must evaluate their own performance and report the result as well as the problem and obstacle to the Board of Directors.

8. The remuneration of Directors

The Nomination and Compensation Committees will receive appropriate compensation by consider the result of their performance.

- **The Executive Committee.**

The charter of the Executive Committee is valid from 23rd February 2017.

1. Objective.

According to the Board of Directors meeting of Buriram Sugar Public Company Limited (BRR) No. 2/2017 on 13th February 2017, they approved to prepare and assemble the composition of the Executive Committee. The company has resolved to set up this Executive Committee charter. The details are as follows:

2. Composition, qualifications and appointment

2.1 Composition and appointment.

- The Executive Committee must be appointed by the Board of Directors as deemed appropriate and must consist of at least 3 Directors or Executive.
- The Board of Directors will appoint the Directors to work in the Executive Committees. If the Executive Directors are retire by rotation, they may be appointed again by the Board of Directors
- The company will select and nominate the employees to act as secretary of the committees with approval of the Executive Committees.

2.2Qualification.

- Have good governance and perform duty and consider the benefit of the shareholders and the organization with fairness.
- Have the knowledge and ability to serve as the Executive Directors. Including finance, accounting, or business related to Buriram Sugar Public Company Limited (BRR).
- Be able to devote sufficient time to carry out their duties in order to achieve the objectives of the Executive Committees.

3. Tenure and retirement.

3.1 The tenure.

- Directors of Executive have tenure same as the Directors position.
- In case the Executive Committee has reason to retire. The Board of Directors must appoint a new Executive Director to full amount of the Committee within 3 months

3.2 The retirement.

- Apart from the retirement by rotation the Nomination and Compensation Directors will be retiring as follow situation.

- xvi. Deceased.
- xvii. Resign.
- xviii. Retire from the Directors position.
- xix. The Board of Directors decision.
- xx. Incompetent or take any illegal action.

- In case of resigning the Executive Directors must submitted the resignation to the Chairman of the Board of Directors.

4. The scope of duties

4.1 Arrange the rules and guidelines, mission, business strategies, policies, etc. and report to the Board of Directors for approval.

4.2 Supervise the operation to achieve the financial and budget goal of the company.

4.3 Create the organizational structure and company management policies, including policies regarding the selection, training, employment and dismissal of employees who have a position higher than the company's managers by appoint The CEO to in charge in that matter.

4.4 Study the possibility of investing in new projects and have the authority to consider and approve the investment with the person, entity, organization and other business that deem appropriate. The Executive Committees will approve the budget for each project start at 10 million baht but less than 50 million baht.

4.5 Consider and approve financial transactions with financial institution to open an account to a loan, mortgage, pledge, guarantee and other services including trading and registration of title to land in the company's objectives. The Executive Committees will approve the budget for each project start at 10 million baht but less than 1 billion baht.

4.6 Consider and approve the contract or financial instruments such as the right to buy or sell sugar or the foreign contract in advance in order to avoid the risk.

4.7 Consider and make suggestion about the project proposal or any transaction involving the company's operations exceeding the amount of budget according to the law and regulation.

4.8 Consider and approve the work and operations or any action which may affect the company.

4.9 Appoint the CEO conduct the business of the company based on the duties and responsibilities as prescribed by the Board of Directors.

4.10 Assigned or appointed the Director or any person to take any action within the authority of Executive Committee as the Board of the Director deem appropriate.

4.11 Consider and approve the operation guide so the person who have been appointed or authorized will aware of the scope of responsibility of their own.

4.12 Responsible in any matter that assigned by The Board of the Directors.

4.13 Establish an effective Anti-corruption operation and act as an example for all staff members.

However, The Directors who have interests in any matter must not attend the meeting or abstain from expressing an opinion on that matter unless the approval of the Board of the Directors according to the law and regulation of the company.

5. The meeting.

5.1 Arrange the meeting.

- The Executive Directors must attend the meeting at least 3/4 of total membership.

5.2 The meeting's attendant.

- The Executive Committee meeting must contain the Directors more than a half of all membership.
- In case of the Chairman cannot attend the meeting then the Executive Committees will appoint 1 of the Directors to act as the Chairman.
- If the Secretary cannot attend the meeting, the Executive Committees will appoint someone to act as the representative.

5.3 The vote.

- The meeting decision depends on the majority. If the votes are equal the Chairman of the meeting shall have a final vote.
- The Directors who have interests in any matter must not vote the meeting

5.4 The meeting record.

- The Secretary must record the meeting's report.

6. The Report.

6.1 The Executive Committee has to consider the proposal and report the results of the policy or operations in any matters which are important and affect business to the Board of Directors for approval.

6.2 The Executive Committee and the management department must prepare an analysis and explanation from MD&A about the operation of the past year. By disclose in the annual report and the annual registration statement (form 56-1).

7. Evaluating Performance

The Executive Committees must evaluate their own performance and report the result as well as the problem and obstacle to the Board of Directors.

8. The remuneration of Directors

The Executive Committees will receive appropriate compensation by consider the result of their performance.

1.5.13 The appointment, duty and responsibility of the company Secretary.

The Board of Directors has appointed the Secretary in order to support the work of the Board in various ways such as arrange the meeting and document works. The company determines the qualifications and responsibilities of the company Secretary. As follows:

1. Education and training

- Graduated with a Bachelor's degree or Master's degree in law, accounting, finance and related fields.
- Attend the training course about the company secretary in particular from Thai Institute of Directors (IOD) such as Company Secretary Program (CSP), Effective Minute Taking (EMT), Board Reporting Program (BRP) and Company Reporting Program (CRP) for example.

2. The responsibility.

- Provide basic advice to the Board of Directors and management department according to the law and regulation of the company.
- Responsible for managing the shareholders and the Board of Directors meeting according to the law and regulation of the company.
- Record the minutes of the shareholder and the Board of Directors meeting.
- Prepare and maintain registration, the annual report or any important reports.

- Keeping the reports of the interest that received from the Board of Directors or the Executive and delivers the copy of the report to the Chairman within 7 days

- Perform other duties as assigned by the Capital Market Commission.

- Perform other duties as assigned by the Board of the Directors.

Management

- Composition and appointment of CEO.

In the nomination of the CEO, the Nomination and Compensation Committee will find the candidate with the required qualifications, knowledge, skills and experience to benefit the operations and achieve the objective of the company.

- The scope of duty.

1. Responsible in Day to Day Operation and supervise the overall operation in order to achieve the objective of the company.
2. Consider the negotiation and acquisition of a legal contract or any action that related to the operation of the company's daily routines. The money in each of the items does not exceed 10 million baht.
3. Consider and provide a suggestion of a legal contract or any action that related to the operation of the company's daily routines including deliver the report to the Board of Directors for approval.
4. Study the possibility of investing in the new project and consider approving the investment, person or entity with other business organizations in order to achieve the objective of the company. The budget of each legal contact does not exceed 10 million baht.
5. Consider and approve financial transaction with financial institutions to open a loan account, loan, mortgage, pledge, guarantee and other related transaction. The budget of each transaction does not exceed 10 million baht.
6. Create the term of trade such as payment period, credit limit and trading contract. The budget of each legal contact does not exceed 10 million baht.
7. Consider the employment, appointment, transfer, duty and proper compensation to all staff members.
8. Appointed the advisor that necessary to the operation of the company's daily routines

9. Appointed or assigned any person to in charge in any action within the jurisdiction of CEO
10. Have the authority and responsibility according to the policy or assigned by the Board of Directors.
11. Arrange the anti-corruption system in order to prevent the corruption activity in the organization.

However, The CEO who have interests in any matter does not have authority to approve in that matter unless the approval of the Board of the Directors according to the law and regulation of the company.

Succession plan and the Directors and executive nominating policies.

Buriram Sugar Public Company Limited (BRR) realize about the preparation of personnel in succession in order to make the operation of the company go smoothly. The Board of Directors has assigned the Nomination and Compensation Committees to nominate the Directors and senior Executive including arrange and review the Succession plan.

3.1 The Succession plan.

Buriram Sugar Public Company Limited (BRR) plan to recruit personnel who will be responsible for important administrative positions. The nomination of the CEO and senior Executives will follow the recruitment process from both inside and outside the organization.

The nomination of the CEO and senior Executives will consider from knowledge, skills and experience to benefit the operations and achieve the objective of the company.

For personnel within the organization, The Board of the Directors will consider the suitable candidate from the Succession group to replace the important position in company if vacant.

3.2 The nomination of the CEO and senior Executives.

The nomination of the CEO and senior Executives will consider from knowledge, skills and experience by using Board Skill Matrix as reference information.

Measurement and policy for related transactions.

4.1 Measurement of the related transactions.

In case of the normal transactions such as the purchase, service or supporting fund for planting of sugarcane, the company or the subsidiaries can complete a transaction with a person who may have a

conflict according to the law and regulation. The company will send a summary to the Audit Committee acknowledges every quarter.

The company has established a control system of the transaction type of supporting fund with a person who may have conflict as follows:

1. The scope of authority
2. Reviewing the transactions.

1. The scope of authority

Provide fund to help the farmer's product such as fertilizer, the agricultural chemicals, rent, equipment, etc.

The executive has no authority to approve the supporting fund in the other matter than sugarcane production unless the approval of the Board of the Directors.

2. Reviewing the transactions.

The auditor perform the check list by

2.1 Check the list by examines the people who may have conflict of interest compare with the individual supporting fund account.

2.2 Bring a list to verify whether it has been approves by the company policy or not.

2.3 Summarize the results of the audit and report to the Audit Committee in every quarterly.

The hiring process for transport sugar with B.R.S. Trainterminal Logistics Co., Ltd. may have a conflict of interest. The action is as follows:

- Needs to provide the bids from providers at least 4 cases.
- The scope of the services must be clear.
- Arrange the contracts that specify the price and conditions clearly.
- Provide a summary for selecting each service provider and compare with those who did not choose as an option to the Audit Committee.
- BRS cannot be hired to carry sugar more than 30% of the company. However, in 2015 the company changes the rule to not more than 40% because the lower transport price than other company.

In case of other transactions than usual, the Audit Committee will consider and give opinion about the necessity and appropriate price before making any decision. However, The Directors who have interests in any matter must not attend the meeting and if The Audit Committee has no expertise, the company will appoint the independent expert to in charge in that matter.

The Board of the Directors will supervise the employees to follow the rule and regulation of the stock exchange of Thailand or the Securities and Exchange Commission. In addition, the company will disclose any important information according to the rule and regulation of the stock exchange of Thailand or related organization.

The related transactions policy.

The company or a subsidiary will continue to have recurrent related transactions in the future. The pricing policy is clearly separated from each other by suitable price and market conditions. So the Executive must not use this advantage for self-interest.

The guarantee of the loan contract between the company and subsidiaries to the person may have the conflict will continue to exist, because the need for credit facilities from financial institutions.

The loan from people who may have a conflict will occur as necessary to conduct business. The company will provide the preparation of the loan agreement and the condition clearly for the benefit of the company.

The Board of Directors has to follow the law and regulation of the stock exchange of Thailand in order to avoid the conflict of interest between the transactions.

The dividend policy of Buriram Sugar Public Company Limited (BRR).

Buriram Sugar Public Company Limited (BRR) will provide the annual dividend at least 50 % of net profit. However, because of the Public Limited Company Act in 1992. The dividend payment can be paid from retained earnings financial statements only. The company operated by Holding Company and has no income from own business operations, so they must wait to receive dividends from the subsidiaries and be recognized as revenue of the company first. Before allocate the consideration of legal reserve and dividend policy of the company.

The subsidiary will pay annually dividend at a rate of not less than 50% of net income after pay income tax and legal reserves.

The supervision of the operations in the subsidiary

Buriram Sugar Public Company Limited (BRR) has a mechanism to supervise the company's operations in order to seek the best benefit for the company.

1. The company will appoint or nominate the persons as the Directors or Executives of subsidiaries by depend on the shareholding rate of that company. The nominated person must be qualified according to the law and regulation of the Securities and Exchange Commission.
2. the Board of Directors or the shareholders' meeting of the company must approve before the subsidiaries can take any action in the following cases:

(1) In case of the Board of Directors or the shareholders' meeting of the company must approve first.

(A) The annual and interim dividend of subsidiaries.

(B) The amendment of regulation in subsidiaries

(C) The annual budget of the subsidiary.

From (D) to (L) are the important matter. If the subsidiaries take any action without approval from the company, there will be significant impact to the financial position and results of operation.

(D) The subsidiary agreements into related transaction that involve the acquisition or disposal of assets of a subsidiary company.

(E) Transfer or relinquish benefits including the renunciation of claim that cause the damage to subsidiaries.

(F) The sale or transfer of all or significant part of subsidiary to another person.

(G) The purchase or transfer of other companies as subsidiaries.

(H) The amendment or termination of contracts relating to the renting business of the subsidiaries.

The assignments to attend the business management of subsidiaries:

(I) The Renting or leasing property of the entity or the subsidiaries.

(J) Provide the financial assistance in any other way to third parties and not the normal business of the subsidiary such as loan, credit and guarantee.

(K) Subsidiaries are out of business.

(L) Any other matters that are not the usual business of the subsidiary.

(2) The matter that must be approved by the shareholders' meeting of the company before the subsidiaries can take any action according to the Capital Market Commission and the stock exchange of Thailand.

(A) In case of the subsidiary agreements on related transactions that involve the acquisition or disposal of assets of the company.

(B) The capital increase by issuing new shares and the shares of the company including the reduction of the registered capital which is not in proportion to their shares of the shareholders. Resulting in the reduce of voting for 10 % of overall vote in subsidiary and reduce of voting below 50 % of overall vote in the main company both direct and indirect.

(C) Any other action that will result in reduction of voting for 10 % of overall vote in the main company and reduce of voting below 50 % of overall vote in subsidiary both direct and indirect.

(D) The main company is out of business.

(E) Any other matters that are not the usual business of the main company.

(F) The amendment of regulation in subsidiaries that affect the financial status and operation of the company.

3. All Directors have responsibility as follows:

(A) Disclose the information about financial status and the operation correctly according to the law and regulation of the Capital Market Commission and the stock exchange of Thailand.

(B) Disclose and deliver information about the stakeholder and their associated individuals in order to reveal the relationship and transactions between their company and other to avoid the conflict of interest.

However, The Director of the subsidiary who has interests in any matter does not have authority to approve in that matter both direct and indirect.

The matters that may cause the negative result or the conflict of interest to the company by the action of the Directors are as follows:

- (A) The transactions between the subsidiary and the Directors that not follow the rule and regulation.
 - (B) Using the information of the company without approval.
 - (C) Using the property or the business opportunities of their own company without approval.
 - (D) Reports business plan, business growth, large investment projects as approved by the company.
 - (E) Explain or deliver data or documents associated with the operation to the company as requested.
 - (F) Explain or deliver data or documents associated with the operation to the company if there is important matter.
 - (G) Responsible for the internal control systems, risk protection systems appropriately to ensure the good operation according to the company policy and the rule and regulation of the Securities and Exchange Commission and the stock exchange of Thailand.
- 4. All staff members including their spouse and underage child must not use information of the company for their own interest both direct and indirect.
 - 5. The transaction of all staff member must be approved by the Board of Directors before taking any action.

The company will follow the rule and regulation of the Securities and Exchange Commission and the stock exchange of Thailand before taking any action.

The scope of duty of The Board of Directors in subsidiaries.

According to the Board of Directors meeting No.6/2014 on 22nd august 2014, the Board of Directors in subsidiaries has the scope of duty as follows:

- 1. Manage the subsidiary with fairness and legal for the best benefit to shareholders.
- 2. Supervise the subsidiary operation to achieve the company goal.

3. Provide accounting system, financial reporting and auditing including internal control, internal audit, and risk management system.
4. Supervise and provide a mechanism for good governance in order to avoid the conflict of interest.
5. Appoint one of the Directors to act as the Chairman of the Board of the Directors and one or more to act as the Vice President as they saw fit.
6. Define or edit change the Directors authorized signature.
7. Consider and determine the criteria for the remuneration of Directors and senior executives.
8. Recruitment and appointment of person who have knowledge, ability, experience and qualified according to law and regulation to be a Directors.
9. Considering the amount of the remuneration of the Directors in the company according to the criteria for compensation. Then The Board of Directors has sent the report to the shareholders' meeting to consider and approve.
10. Evaluate the CEO and senior Executives work and consider the compensation amount according to the regulation.
11. Appoint the Directors or other person to have the power to take any action that is within the jurisdiction of the Board of Directors as the Board deems appropriate.
12. Supervise to disclose the financial status and the operation related the company and the subsidiaries correctly.
13. Disclose and deliver information about the stakeholder and their associated individuals in order to reveal the relationship and transactions between their company and other to avoid the conflict of interest.
14. Reports business plan, business growth, large investment projects as approved by the company by disclose in monthly report.
15. Explain or deliver data or documents associated with the operation to the company as requested.

16. Explain or deliver data or documents associated with the operation to the company if there is important matter.

17. Responsible in any important matter according to the law and regulation of the company.

However, The Directors who have interests in any matter must not attend the meeting or abstain from expressing an opinion on that matter unless the approval of the Board of the Directors according to the law and regulation of the company.

Human Resource development policy.

Buriram Sugar Public Company Limited (BRR) encourages all staff member to develop their skill to improve the operation of the company. Human resource is the most valuable asset in business so the company will provide coaching, knowledge sharing and project assignment for all member to apply the knowledge to work in the company.

Buriram Sugar Public Company Limited (BRR) will develop the qualified key person staff into good use. The Human Resources and Administration department plan the Individual Development Plan (IDP) with a variety of development methods. Including provide individual assessment that evaluate by the supervisor twice a year.

Buriram Sugar Public Company Limited (BRR) aware of the importance to build and prepare the personnel for the expansion of business by establishes guideline for high potential development from the key person staff. The Individual Development Plan has been defined for high potential development staff that has opportunity to learn and develop their potential in order to improve the company operation.

Code of Conduct

1. Business Code of Conduct

1.1 Business Practice.

Buriram Sugar Public Company Limited (BRR) has realized the importance of good governance business. The Board of Directors decided to commit good business policies with Code of Conduct and Anti-Corruption. Including law and rule for doing business with fairness and benefit for stakeholder to ensure prosperity and confidence of shareholders and investors. Then BRR decide to use Code of Conduct as a guideline to The Board of Directors and employees for the prosperity, fairness and becoming an Anti-Corrupting company.

There are 7 rules in total

1. Consider about benefits and how to treat the stakeholder with fairness.

Doing business with considering about benefits and carefully treat interested persons such as customers, business partners, shareholders, employees, and government with fairness. Moreover, we must treat every shareholder and business owner equally because they are very important for our company.

2. Reveal the correct information to show sincerity.

The result of doing business with fairness and revealing the correct, clear and on time informations built the confidence for shareholders and investors. Also the company's information can be compared with the different sources of information.

3. Minimize the risks.

Although Buriram Sugar Public Company Limited (BRR) has a clear objective and concise process of work they have to find the way to reduce the risks. By analyzing and arranging the work methods for minimizing risk.

4. Encourage to commit good operation in the company and develop the goods such as sugarcane and others industries to reach the standard production.

Use the result of good operation in other department to apply on Buriram Sugar Public Company Limited (BRR) production and to encourage all staff member to develop their work in good use including encouraging workers to grow more sugarcane and expanding the area of planting. By doing this the sugarcane planters can have better quality of life and can also increase income and profit in the company.

5. Provide good profit for business owners and shareholders

Buriram Sugar Public Company Limited (BRR) realizes how to make a value of the company in long term. Moreover, they try to develop the work performance to increase the profit for business owners and shareholders.

6. Be responsible for society and nation

Buriram Sugar Public Company Limited (BRR) believes in developing the business as well as the society. For being part of the society and the nation, we try to give some profit for charity events. Moreover, we try to save the environment and support other activities for the better society.

7. Anti-Corruption work.

The Board of Directors and all staff members must follow the Code of Conduct and Anti-Corruption policy including law and rule in the company. Especially have a responsibility in their work and also listen the opinion and protect the benefit of the other to prevent corruption from the company.

From the rules above The Board of Directors has responsibility to supervise the managers and the managers have to do the same to the employees.

1.2 Anti-corruption policy.

Buriram Sugar Public Company Limited (BRR) prioritizes doing business with honesty and responsible for the society by following the Code of Conduct and rule strictly. So Buriram Sugar Public Company Limited (BRR) use Anti-corruption and public relation policies to give knowledge and information for all staff members in order to prevent corruption and cooperate with each other.

Anti-corruption policy is part of the Code of Conduct and already approved by Buriram Sugar Public Company Limited (BRR).

1. Objectives

- To show Buriram Sugar Public Company Limited (BRR) intention to prevent all corruption.
- To made all of staff members prevent all corruption activities.
- To built trust in customers, partnership and business alliance.

2. Definition

- (Corruption) means use position of authority for personal benefit including bribery or use the company properties as a personal gain without permission (Reference: Transparency International – TI established since 1993)

3. Scope of work

- All staff members must follow this policy including other policies related to Code of Conduct. Buriram Sugar Public Company Limited (BRR) expects all of customers, partnership and business alliance to cooperate in this policy.

4. Responsibility

- The Board of Directors has to plan the policy and supervise the other staff member to prevent corruption in the company.
- The Audit Committee has to examine financial reports including internal control system, audit system and risk management. To ensure good and efficient operation that written in the Code of Conduct
- The Chairman and The Board of Directors have to encourage and support Anti-corruption in employees mind. Also have to review the suitability of the system to reach regulation and legal requirement.
- The internal audit office has to examine the job performance correctly follow by the Code of conduct to prevent corruption and make report to the supervisor to acknowledge the current situation.
- All employees have to follow the company policies and prevent corruption at all cost. They have to sign an acknowledgement and send to Human resource department as a confirm. If someone broke the rule they should inform the supervisor. The department that receives the report will keep this information a secret and carefully sent to the supervisor.

5. Terms of operation

- All operation must follow the Buriram Sugar Public Company Limited (BRR)'s Code of conduct to achieve goal of the company.
- Use this Anti-corruption policy to cover all relevant activities. All supervisor have to supervise and communicate with the employees to work with efficiency.
- Make an annual evaluation of the risk of corruption. For the clarity in Anti-corruption policy all of staff members have to do this thing with caution.

1. Presents, gifts, company's party and additional expenses.

All these things have to give within the Code of conduct of Buriram Sugar Public Company Limited (BRR).

2. Charities and supporting money.

All charity activities have to be legal and make sure that the money is not used for bribery.

3. Business relation and procurement.

Do not give or receive bribe with all customers, partnership and government agency that doing business with the company. Everything must be legal.

2. Conduct of The Board of Directors and staff in organization.

2.1 Follow every laws and rules of the company and respect for human rights and labor.

Buriram Sugar Public Company Limited (BRR) orders all staff members follow the company's rule and regulation strictly. Including avoid illegal activities and contrary to public order or good morals. The details are as follows.

1. Follow the company's rule and regulation that relate to business operation of Buriram Sugar Public Company Limited (BRR).

1.1. All staff members have to obey the rule and regulation of the stock exchange of Thailand and the Securities and Exchange Commission.

1.2. All staff members have to obey the company Code of conduct.

1.3. All staff members have to cooperate with the legal, human resource and administrative departments.

If any corruption activities found they have to be reported to the responsible department to deal with the problems.

2. Do not break any laws and rules of the company by claiming that was an action to increase the profits of the company.

3. All employees must perform their duty with honesty by consider the benefit Buriram Sugar Public Company Limited (BRR). Despite the gap in the law or regulation of the company

4. Keeping the company's information confidential for people outside company because the company may lose its reputation.

5. Acquisition or sale to the securities listed of staff members including their spouse, underage child and legal entity must follow the rule of the Securities and Exchange Commission. On the rule about the acquisition or disposal of securities, directors and employees in 2004.

6. Employees must understand the laws and regulations of Buriram Sugar Public Company Limited (BRR) and understand their role and responsibility. Consult with the legal department or other relevant agencies. Do not attempt by yourself without guidance.

7. Respect for human rights

7.1 Buriram Sugar Public Company Limited (BRR) does not support activities that violate human rights in all respect, instead, promoting the human rights.

7.2 Treated everyone equally with respect and honor without discrimination of race, nationality, religion, gender, etc.

7.3 All employees must not violate the other human rights either verbal or action.

7.4 Act with caution to avoid violated the human rights. If found any suspicious activities they have to inform the supervisor.

7.5 Buriram Sugar Public Company Limited (BRR) will keep personal information of its employees. Unless the act according to the law or regulation of the company.

8. Labor.

8.1 Treat the employees according to the labor laws and regulations with fairly and equally.

8.2 No discrimination and equal employment practice in recruitment, compensation, welfare, etc.

8.3 Do not use child labor, illegal immigrant or labor from human trafficking.

8.4 Do not punish employees physically and mentally or other violent methods.

8.5 There is correct and transparent investigation about employees mistake before the termination.

8.6 Only hiring the contractor who operates correctly according to the labour law to avoid any corruption.

2.2 Conflict of interest and confidential information

2.2.1 Conflict of interest

In order to make all staff members of Buriram Sugar Public Company Limited (BRR) did their duties with honesty and abandon personal gain. The company made the policies and practices of conflict of interest as follows.

1. Reveal and deliver information of stakeholder and those related to the Board of Directors to find out about relationship and transactions with Buriram Sugar Public Company Limited (BRR). This is to ensure that Buriram Sugar Public Company Limited (BRR) is monitoring such matter in regular basis. The company secretary has to survey the list of stakeholder and presented to the Board of Directors and the audit committee at least once a year.

2. Avoid making lists associated with themselves or those involved, which may cause conflict of interest with Buriram Sugar Public Company Limited (BRR). Do not act in any manner against the benefit of the company.

3. The Board of Directors must not involve the matter with self-interest and conflict of interest in the company both direct and indirect ways.

4. These following action within company is presumed to be the conflict of interest.

(A) The transaction made between Buriram Sugar Public Company Limited (BRR) and the Board of Directors without following the rule.

(B) Use the company's information except the information that already reveal to the public.

(C) Use company's property and opportunity that broke the law according to the capital market supervisory board.

5. If it is a normal transaction list such as list of trading goods, raw materials, services, etc. Buriram Sugar Public Company Limited (BRR) can do the transaction with individual if such transaction has a proper trade agreement. But they have prepare the summary to the audit committee and the Board of Directors so they can acknowledged and made a comment every quarter.

6. The other transaction beside the normal transaction must be examine by the Board of Directors For appropriate action. Also have to consider different conditions that are characterized by regular market trading. If the Audit Committee has no expertise in the transaction, Buriram Sugar Public Company Limited (BRR) will arrange an independent expert to give an opinion and provide information for the decision of The the Board of Directors or shareholders.

7. Supervise and take responsibility for proper inner control system , risk management system and Anti-corruption system in Buriram Sugar Public Company Limited (BRR). According to the company policy, regulation and law.

8. The Board of Directors must supervise Buriram Sugar Public Company Limited (BRR) to follow the law on securities and Stockmarket. In addition, Buriram Sugar Public Company Limited (BRR) must disclose the information on connected transaction according to the rules of stock exchange of Thailand.

9. Provide a clear operation to show that the subsidiary has sufficient system of disclosure the significant transaction. In addition, the system must be monitoring by independent director , Audit committee and internal auditor of BRR directly to ensure that the subsidiary has follow the company plan.

10. The guarantee of the loan contract between Buriram Sugar Public Company Limited (BRR) and a person who may have conflict of interest will be exist. Because of the necessity of obtaining credit from financial institutions to purchase raw material and support farmer to grow more sugarcane.

11. A loans from the people who may have conflict will occur. Then Buriram Sugar Public Company Limited (BRR) will provide the loan agreement by considering the company benefit and not funding any money except to support of growing sugarcane to the person who may have conflict.

12. To avoid any conflict of interest in the transaction. The Board of Directors must follow rule of the stock exchange of Thailand.

13. Avoid being shareholder, director, executive or consultant in the same way as Buriram Sugar Public Company Limited (BRR) and competitor business. Except that position in not against the benefit of Buriram Sugar Public Company Limited (BRR).

2.2.2 Insider Trading.

Buriram Sugar Public Company Limited (BRR) has policy that allows all staff members to use inside information as follows.

1. All of staff members must not reveal the secret of the company for self-interest.
2. Do not disclose or diatort the inside information in Buriram Sugar Public Company Limited (BRR).Because someone will misunderstood and make mistake.
3. Instruct all of staff members to understand their duties and sent report about their properties, spouse and underage child to the Securities and Exchange Commission on section 59 and the penalty under section 275 of the Securities and Exchange Act in 1992 (including the amendment).

4. Buriram Sugar Public Company Limited (BRR) has to reveal the result of operation and financial position to the public prior 1 month before all staff members especially accounting and financial manager can purchase or sale a company's securities.

5. All staff members especially accounting and financial manager must report about the change of securities holding and derivatives to company's secretary in 30 days and to the Securities Commission and Stock Market in 3 days. So the board of director will acknowledge every quarter.

6. Do not reveal the secret of Buriram Sugar Public Company Limited (BRR) to the other people even the person that is no longer the staff.

7. Executive, investor relation and secretary are representative to give useful information to shareholders, securities analysts, fund managers and financial institutions. All information must be acknowledged equally.

The staff member who broke the insider-trading rule will be disciplined or punished by law, as the case may be.

Responsibilities for information and assets of Buriram Sugar Public Company Limited (BRR) and intellectual properties.

Buriram Sugar Public Company Limited (BRR)'s assets means Real estate, technology, knowledge, technical data, copyrights, trade marks, etc.

1. Employees have a duty and responsibility to use the company's property for the most benefit way to the company. Also try to protect and not use for their own benefit or without permission.

2. Information and business document are the company property. They must have to keep it secret and put in the correct order. Do not disclose to any person unless authorized in writing by the directors.

3. Employees must prepare a documentation of business finance, accounting, and government delivery reports with caution and honesty.

4. Keep an eye on Buriram Sugar Public Company Limited (BRR)'s asset to prevent devalue or loss.

5. Computing and information technology.

5.1 Computer components. Information technology and information systems are the property of the Buriram Sugar Public Company Limited (BRR). All staff member must not use for his or her own interest.

5.2 Do not modify, copy, delete or destroy the information of Buriram Sugar Public Company Limited (BRR) without permission.

5.3 Do not use illegal software or copy copyrighted software without authorization from the manufacturing company.

5.4 Do not install any equipment aside from the standard that Buriram Sugar Public Company Limited (BRR) provided without permission.

5.5 Do not reveal the business information or copy in to recording device without permission.

5.6 Do not sent Buriram Sugar Public Company Limited (BRR) E-mail to discredit, intimidate or irritate the other people.

5.7 Use Internet to find a useful information and avoid illegal website.

5.8 Carefully use the Buriram Sugar Public Company Limited (BRR)'s information technology system and communication equipment.

5.9 Do not access to the unauthorized data.

5.10 Buriram Sugar Public Company Limited (BRR) will reserve information about the company's asset as appropriate.

6. Buriram Sugar Public Company Limited (BRR) has political neutrality policy. Employees must not use company's asset to support the political affair.

7. Employees have duties and responsibilities to cooperate, assist and obtain the protection of intellectual property that the Buriram Sugar Public Company Limited (BRR) has ownership.

8. Employees can use the other information in Buriram Sugar Public Company Limited (BRR) as reference if that person has requested the company permission.

9. Employees must report to the supervisor if they find an act that violating the intellectual property.

10. Employees must respect and not violate on the intellectual property rights of others. They also must not use company's properties for their own interest

2.4 Internal control system, internal audit, risk management, accounting and financial reporting.

Buriram Sugar Public Company Limited (BRR) goal's is to make stability business. So its have A system for controlling and monitoring the internal efficiency and effectiveness, which is consistent with international standards and risk management at the appropriate level. Moreover, the company has the review system under the supervision of the internal auditors, review of the audit committee and reporting accounting and finance with accuracy. In order to built trust for shareholder and investor.

3. Code of conduct to stakeholders.

3.1 Social responsibilities.

Buriram Sugar Public Company Limited (BRR) uses Corporate Social Responsibility (CSR) policies to create a sunstainable business along with development of life of sugarcane farmer and their community. The Company has adopted a policy of social responsibility since starting of business in 1964. The company's aspiration is "CECS"

C - Commitment

E – Environment

C - Community

S – Sustainable

Mission

Buriram Sugar Public Company Limited (BRR) prioritizes to create a sunstainable business along with development of life and social. With the process management of raw materials and promote academic excellence in the process of growing sugarcane. The quality of product and life of sugarcane farmer will improve. To achieve the goal the company has a mission in the list as follows.

1. Built understading process to the stakeholders.
2. Create and develop good relationships with the stakeholders of the organization
3. Promote cultural tradition with the community.
4. Promote and support the education.
5. Develop and promote environmental management.
6. Published information to the stakeholders.
7. Solve the abuse and child labour problem.

3.2 Shareholders policies.

Buriram Sugar Public Company Limited (BRR) is conducting business according to the principles of good governance, honesty, transparency and fairness. The company aim to return of an investment for sharesolder and business owner as a token of gratitude.

1. Performing the duty with honesty by considering the benefits of all shareholders as the most important.
2. Make any decision base on sufficient information and do not make any action that cause conflict of interest to
Buriram Sugar Public Company Limited (BRR).
3. Manage the business base on good governance principles.
4. Work with cautious and also with experience and professional attitudes.
5. Take care of company's properties. Then also have to make the inner system and risk management effectively.
6. Report the information and result of the operation to the shareholders in time and correctly.
7. Do not reveal the secret information to the other especially the business competitor.
8. Provide information and description for the person whose duty is the auditor.
9. Do not reveal information that affects the price of the stock before an announcement of the investor.
10. Treat all sharesolders who come to contact Buriram Sugar Public Company Limited (BRR) with fairness.
11. Allow all shareholders to participate in company management as well as even give comment or suggestion.
12. Give the information to shareholders with various sources about the company's agenda and selection of board membership.
13. Create an opportunity for shareholders and person both within and outside to report the corruption activity.

3.3 Employees policies.

Buriram Sugar Public Company Limited (BRR)'s employees are the key factor that will lead the organization to success. The company aim to develop and enhance a good working atmosphere including promote teamwork, good compensation and welfare in order to ensure that are no discrimination between the employees.

1. Buriram Sugar Public Company Limited (BRR) will protect the employees who report the false activity according to the securities and exchange act. The company cannot change their position, working place and threat or termination (section 89/2) if the employees who report an evidence about illegal matter.

2. Buriram Sugar Public Company Limited (BRR) will treat the employees equally without discrimination of race, gender, age, skin color, religion and education.

3. Buriram Sugar Public Company Limited (BRR) believe that employees are the key factor for making a good product. So the company will treat the employees fairly and equally in employment, payoff, promotion and developing their potential as well as the moral.

3.1 Follow the law and regulation about the employees strictly.

3.2 Treat employees with politeness and respect the individuality and dignity of humanity, according to the human right principles.

3.3 The Board of Director will support all employees to do their best by establishing an appropriate compensation, salary , bonus and welfare. Including the training to improve their potential.

3.4 Arrange the term of employment fairly and give the appropriate compensation as their potential.

3.5 The employees's appointment, transfer, reward and punishment must be done with fairly and honesly.

3.6 Save environment and organize safety for life and asset to the employees including the hygiene.

3.7 Give priority to employees's skill by training to increase their potential.

3.8 Buriram Sugar Public Company Limited (BRR) provide provident fund for employees.

3.9 Report about the current operation and status of Buriram Sugar Public Company Limited (BRR) to employees.

3.10 Create a good conscience to employees to be a giver and a good citizen in society.

3.11 Create an opportunity for employees to report the corruption and unfair activity. The company has to protect employees who make a report with fairness.

3.12 Buriram Sugar Public Company Limited (BRR) support the political right of employees with neutrality.

3.13 Encourage the participation of employees for the benefit of the company. Build the good relationship in working space as well as the unity.

3.14 Encourage employees to participate in activities both inside and outside the company to benefit of an organization and society.

3.15 Give an opportunity to receive comment and suggestion of employees with equally and fairly.

3.16 Create an opportunity for employees to report about illegal activity.

3.4 Customers policies.

1. Comply any contact, agreement and other condition with customer strictly.
2. Make customer satisfied by producing products and services with excellent quality and safety standards at Reasonable prices.
3. Protect health and ensure safety of the customers or consumers by producing good quality products.
4. Support sustainable consumption by that benefit or reduce impact on environment or society.
5. Manage the marketing plan with fairness and disclose the information about product and service to customer without distort the fact.
6. Persist to be honest and upright to the customers including not receive or provide any dishonest behavior to customers.
7. Organize the protection system for customers including the communication system to listen to the suggestion, complaint and respond to customers need.
8. Customer can return the product if they find any fault in the product quality.
9. Protecting and maintaining the confidentiality and privacy of clients or consumers.
10. Seek the way to improve benefit to customers.

3.5 Business partners policies.

1. Treat partners with equally and fairly. Avoid any activity that reduce the benefit between Buriram Sugar Public Company Limited (BRR) and partners.
2. Doing business to partners with fairness.
3. Do not receive or provide any dishonest behavior to partners including being neutral in partner's decision.

3.6 Creditors policies.

1. Treat creditors with equally and fairly.
2. Doing good business to ensure creditors about company's financial status and ability to pay the debts.
3. Report the correct financial information to creditors.

3.7 Business competitor policies.

Buriram Sugar Public Company Limited (BRR) doing business with fairness. The company will not do any illegal activity towards the competitor such as reveal the secret information or make an accusation without evidence.

3.8 Health, safety and the environment.

Buriram Sugar Public Company Limited (BRR) care about the quality of a employees life as well as the environment.

1. Buriram Sugar Public Company Limited (BRR) has responsibility in the quality of safety and health of an employees and society.
2. Build the awareness about safety and health quality to all employees.
3. Prevent any accident and control the operation to the standard quality.
4. Provide safe working place for life and property of employees.
5. All employees must follow the safety rule and wear protective equipment to prevent an accident.
6. Educate and train employees about environment matters.
7. Doing business by consider about an environment.
8. Encourage employees to participate in saving environment activities.

3.9 Responsibility to community and society.

Buriram Sugar Public Company Limited (BRR) has 4 responsibilities to community and society.

1. Create a sense of public consciousness and encourage employees to participate in various volunteer projects.
2. Doing CSR project with the community.
3. Doing CSR project with private institutions and government agencies.
4. Bring the profit from sugar product to support CSR project for a benefit of the company.

Since 2014 Buriram Sugar Public Company Limited (BRR) try to the development of a sustainable society to build confidence, the acceptance and trust of the community. The company follow the rule of “Business development as well as environment and society” . The other agencies have cooperated in the company’s policy as well.

4. Employees’s Code of Conduct.

4.1 How to follow Code of Conduct

- 4.1.1 Work with honesty
- 4.1.2 Follow the law and regulation in the company strictly.
- 4.1.3 Work with caution and do not use your work position for self interest.
- 4.1.4 Work with respnsbility and consider the benefit of the company at first priority.
- 4.1.5 Work hard and seek the ways to improve potential.
- 4.1.6 Maintain the honor to be accepted in society.

4.2 How to treat customer or related person.

- 4.2.1 Treat customer with fairness and honesty.
- 4.2.2 Treat customer with manner.
- 4.2.3 Listen every comment,suggestion and recommendation from customers.
- 4.2.4 Care for each other values and treat the other with equally.
- 4.2.5 Participate in the creation and development of society.
- 4.2.6 Protect aand keep the secret information of customers,partners and the company.
- 4.2.7 Maintian the good work environment in the company.

4.3 How to treat each other between an employees.

- 4.3.1 Do not invole in colleague’s political matter.
- 4.3.2 Assist colleague with their work and treat them generously.
- 4.3.3 Use the right to comment with proper and polite manner.
- 4.3.4 Work as a team and try to help each other out.
- 4.3.5 The supervisor must behave as good example to their subordinates.
- 4.3.6 Act toward supervisor with respect and treat the colleague with kindness.

4.4 How to treat with an organization.

- 4.4.1 Work with full potential.
- 4.4.2 Use property and welfare of the company with caution.
- 4.4.3 Report about corruption and illegal activity to the supervisor.
- 4.4.4 Try to develop yourself.
- 4.4.5 Follow the news to use as a reason in the conversation.
- 4.4.6 Follow the safety rule and wear protective equipment to prevent an accident

4.5 How to give or receive a presents, gifts or other benefits.

Buriram Sugar Public Company Limited (BRR) prohibits all staff members to give or receive any illegal or corrupt thing to a customers including being neutral in a customers decision.

- 4.5.1 Do not request any gift or other benefit from the customer.
- 4.5.2 Do not receive any gift or other benefit from the customer before formally fill in the company's paper form.
- 4.5.3 Any gift or other benefit that not follow as 4.5.2 must be returned immediately. If cannot return because the relationship between person or company, the receiver must fill in the company's paper form within 3 days so the gift will be the company's property. The gift will be providing to the employees with appropriate reason.

Rule for when receiving presents, gifts or the other benefits.

1. Thing must not be money.
2. Something made to promote sale, which have a company seal such as pen, t-shirt and notebook.
3. Something made to distribution.
4. Something made or bought in festival that give to partners or customers such as calendar, candy and umbrella
5. Other benefits that have to receive from the partners or customers.
6. Things that worth more than the value on schedule.

Catagory	Operation	Authorization						
1	Expense	BOD	EC.	MD.	DM D.	AM D.	MGR.	EMP L. DM.
1.3	Receiving gifts per time (In budget)							
	- worth below 3,000 Baht	✓	✓	✓	✓	✓	✓	✓
	- worth below 6,000 Baht				-	-	-	-

Note: meaning of the abbreviation

BOD. = Board of Directors

EC. = Executive Committee

MD . = Managing Director

DMD =Deputy Managing Director

AMD. = Assistant Managing Director

MGR. = Manager

DM. = Deputy Manager

EMPL.= Employees

- = Non-authorized

4.5.4 Do not give any gift or other benefit to the other for the self benefit reason without permission or fill in the company's paper form first.

Rule about authorization to provide presents,gifts or the other benefits.

Catagory	Operation	Authorization							
1	Expense	BOD	EC.	MD.	DM D.	AM D.	MG R.	DM. AM.	SC.
1.3	Reception party and provide gift per time (in budget)								
	- worth below 5,000 Baht						S	-	-
	- worth below 10,000 Baht					S	-	-	-
	- worth more than 10,000 Baht				S	-	-	-	-

Note: meaning of the abbreviation

BOD.	= Board of Directors	EC.	= Executive Committee
MD.	= Managing Director	DMD	= Deputy Managing Director
AMD.	= Assistant Managing Director	MGR.	= Manager
DM.	= Deputy Manager	AM.	= Assistant Manager
SC.	= Section Chief	S	= Standard authority
-	= Non-authorized	(Blank)	= Higher authority

4.6 The political right.

4.6.1 Using the right as a citizen under the Constitution.

4.6.2 Do not take side in political matter because the other will misunderstand the company intention.

4.6.3 Do not use the company's name or property to support the political parties.

4.6.4 Do not use the work's position to force somebody to involve in political matter.

4.7 Donation and financial support.

Buriram Sugar Public Company Limited (BRR) has illegal donation and financial support policies. The donation money will carefully provide by all staff members to avoid corruption or bribery. The company has donation rule as follows.

4.7.1 Donation.

1. Before giving any donation the project must be proving that they are existing or real. All donations also must support CSR project.
2. The charity project must not involve in political or self-interest matter.

Rule about authorization to donate to the charity project.

Category	Operation	Authorized Person							
		BOD.	EC.	MD.	DM.	AM.	MGR.	DM.	SC.
1	Expense	.			D.	D.	R	AM.	
1.4	Donation money per project						S	-	-
	- Worth below 2,000 THB					S	-	-	-
	- Worth below 5,000 THB				S	-	-	-	-
	- Worth more than 5,000 THB								

Note : the meaning of the abbreviation

BOD.	= Board of Directors	EC.	= Executive Committee
MD.	= Managing Director	DMD	=Deputy Managing Director
AMD.	= Assistant Managing Director	MGR.	= Manager
DM.	= Deputy Manager	AM.	= Assistant Manager
SC.	= Section Chief	S	= Standard authority
-	= Non-authorized	(Blank)	= Higher authority

4.7.2 Financial support.

1. Before giving any financial support the project must be proving that they are existing or real. All financial support also must support CSR project.
2. All financial support must can be calculated in money and involve in political or self-interest matter.
3. The giver must request permission from the company before providing any financial support.

5. Ensuring compliance and review.

All staff members in Buriram Sugar Public Company Limited (BRR) must follow and understand the company code of conduct. All administrators have to supervise the employees to follow the rule of the company. If someone has broken the law, even the administrators will be punished including termination or compensation. The Board of Directors must review the guide to good governance and Code of Conduct every year.

6. Complaint and suggestion.

The Board of Directors has given an opportunity for employees and stakeholders to comment and report about illegal activity. The intelnal audit office must responsible in this matter.

6.1 Various ways to report or suggestion.

- 6.1.1 By mail. The Chairman of the good governance,
Buriram Sugar Public Company Limited
(BRR) 128/77-78 7th floor Phayathai plaza building , Phayathai Road ,
Thung Phayathai Sub-district , Ratchathewi District , Bangkok 10400

Or The internal audit affair , Buriram Sugar Public Company Limited. (BRR) 128/77-78 7th floor Phayathai plaza building , Phayathai Road , Thung Phayathai Sub-district , Ratchathewi District, Bangkok 10400

6.1.2 Suggestion box.

6.2 Process when receives a complaint.

6.2.1 The recipient will gather the information about the report and investigate the matter follow by the Code of Conduct.

6.2.2 The recipient will report to the investigation committee who appointed by the board of directors.

6.2.3 The recipient will report investigation committee and decide to make measure of violating the rule by follow the code of conduct.

6.2.4 The recipient has to report a result to the person who made a complaint.

6.3 Protection for the complainant or who cooperated in the investigation.

6.3.1 A complainant have a right to be anonymous if doesn't feel save.

6.3.2 Buriram Sugar Public Company Limited (BRR) will not reveal the identity of the complainant or who cooperated in the investigation without permission.

6.3.3 A recipient will keep the related information secret. The information will be disclosed as necessary considering of security of those complainants.

6.3.4 A complainant can requested protection from Buriram Sugar Public Company Limited (BRR).

6.3.5 A complainant who has suffer from any damage will be proper compensated.

7. Discipline.

All staff members of Buriram Sugar Public Company Limited (BRR) must follow the code of conduct and the other rule of the company strictly. The supervisor must behave as good example to their subordinates.

Corporate Governance and Code of Conduct Manual

1. Try to understand this manual.
2. Research about duties and responsibilities.
3. Review the manual regularly.
4. Instruct the other people who work with Buriram Sugar Public Company Limited (BRR).
5. Ask the supervisor if having any question with the manual.

6. Report to the supervisor if someone did not follow the manual.
7. Cooperate in the investigation with agencies or person who appoints by Buriram Sugar Public Company Limited (BRR).
8. The supervisor must behave as good example to their subordinates and also encourage the employees to follow the manual.

All employees must follow the manual on corporate governance and code of conduct. This is an action that violates the manual and must be reported to the supervisor.

1. Do not follow the manual's instruction.
2. Discourage the other to not follow the manual's instruction.
3. Try to ignore if someone violates the manual.
4. Do not cooperate or obstruct the investigation.
5. Treat someone who broke the rule with unfair action.

Who have duties or responsibilities to follow the manual's instruction?

1. The Board of Directors has to update and review the manual in every year.
2. The Executive
 - 2.1 Encourage the employees to follow the manual and act as a good example.
 - 2.2 Instruct the policies to the employees by follow the manual's instruction.
 - 2.3 Train the employees to understand the manual's instruction.
 - 2.4 Supervise the operation to continue as plan.
3. Human resources and administration department must explain the employees's duties by follow the manual's instruction.
4. The internal audit office must review the information if someone has not followed the manual's instruction. They have to make a report to the supervisor.
5. All employees have to follow the manual's instruction and also make a comment or suggestion to improve the company's operation.

Remuneration for Auditors

Since 2011 - present the company group has hired PricewaterhouseCooper ABAS Ltd. for auditing and consulting continuously. In 2016, the company group paid for Audit Fee and None-Audit Fee to PricewaterhouseCooper ABAS Ltd. The total amount is 9,632,000 Thai Baht. In this amount are separated into the examination fee for auditing of the company is 990,000 Thai Baht, the examination fee for auditing of eight subsidiary companies is 5,490,000 Thai Baht. Other service charges, such as, reviewing the possibility of financial, verifying the presented financial documents and providing comments to Securities and Exchange Commission, Thailand (SEC) about the infrastructure fund that the company has a plan to establish is 1,800,000 Thai Baht. The actual out-of-pocket expenses, such as, transportation fee and hotel fee for auditing staff at Burirum province and the expense of copied documents and etc. In addition to the dedicated fees, there is no any service expenses that pay for auditors, audit firm of auditors and the parties that are related to auditors.

12

Corporate Social Responsibility

Sustainability Report

Buriram Sugar Group (“BSG”) has a determined vision to become a part of sustainable social development in order to build the commitment, acceptance and reliance with the cumulative supports and value additions to the community, the society and BSG based on the following concept and guidance: **“Business Development with Environmental Preservation and Sustainable Advancement Building to the Community”**. BSG has a strong resolution to sustainably create business with continuous growth in a way that is capable to develop life conditions of sugarcane farmers, nearby communities and employees. Consequently, a number of projects and activities have been created with great participations and supports from the state and private agencies.

Since the beginning of the Company, established in 1964, BSG has determined the guidance of policies concerning to corporate social responsibility (“CSR”) under the following concepts:

The conceptual framework of organizational commitment is “GCECS: Governance, Commitment, Environment, Community and Sustainability”

G- Governance refers to “transparency in business conduction”.

C- Commitment refers to “our determination and responsibility”

E-Environment refers to “the concept of environmental preservation”

C-Community refers to “the path to the goals with care and support to the community”

S-Sustainability refers to “the sustainable ways of living together”

In recent years, besides the integration of knowledges and potentials in the to support a number of projects to achieve the goals, the collaboration with related individuals and operations has been made in order to concretely and successfully support the society in many dimensions, for instance:



The Career Promotion for Life Quality Development

BSG has continuously organized projects on promotion of careers for life quality development. Except for the careers promotion project in the communities, the construction project for handmade mats learning center in Soak Doo Community and the construction project for handmade red-edge sarong learning center in Kooborn Community, which have been continuously developed, BSG has also extended the outcome to educational institutions by promoting learners development activities (BRR: cuts in classroom hours and rise in being knowledgeable time on the way to sustainability) which refers to food processing project of Ban Nongkwang School, Buriram Primary Educational Service Area Office 4 that supports the community enterprise and “the project for moral young businessmen to a creative economy” in purpose of allowing the community and the educational institution to self-sufficiency and strengthening the concept for continuous improvement. Additionally, according to the drought crisis in Thailand, the impact had influenced on people in a large scale; consequently, BSG supported the budget for drinking water purchase to the community, and collaborated with Dongyai Forest Wildlife Sanctuary, Noan Dindang District in dam construction. Furthermore, the collaboration with Military Circle 26, Buriram Province and Hin Lek Fai Municipal District was made to construct some residences for indigent people in the area of Hin Lek Fai Municipal District, Koomuaeng, Buriram Province.

BSG also supports sugarcane farmers in the surrounding areas of the factory to produce higher crop yield and quality production with the principle and responsibility for farmers through the development of administration system, management for sustainability of production and profits for farmers, in addition, the improvement of innovation to increase the efficiency for the organization and farmers as well as the learning supports to the employees and farmers for sustainably growth.



Human Resource Development in the Organization

BSG respects human rights and legal practice therefore the regulation of the employee rights and stakeholders was specified in the handbook of good corporate governance and code of conducts with the support of more intense basic rights in the workplace than those specified in the law. Additionally, health care and security has been provided to employees and contractors through the system of occupational health management and standardized security. Furthermore, the employees and stakeholders can also offer additional suggestions or inform their complaints to the chairman of good governance committees or the office of internal audit. Afterwards, the investigation committees will be appointed to investigate the facts and solve the problems as complained.

BSG believes that all employees are extremely valuable resources for business operation therefore BSG determines to develop the employees' skills and their life quality in order to create the man power that is fulfill with quality for the organization. BSG emphasizes that employees are a kind of significant mechanism and the base of every accomplishment of the organization which is the important power to make the business succeed continuously.

The compensation for the employees which is except for salary and wages is the important matters that BSG never ignores since BSG always realized the code of ethics to generate the benefits for stakeholders. Business operation in accordance with the code of ethics and morality, including the accountability and transparency which is pursuant to good governance and code of conducts are the important issues for times to times that BSG is honored.



BSG also emphasizes the knowledge management and aims to create the learning organization which provides the learning improvement for lifetime and gradually becomes the innovative organization in the future. To achieve these goals, the support and encouragement has been provided for employees to participate in the work-related learning and sharing to internal departments as well as external sections in order to exchange knowledge and experiences including the network building for work performance. In 2016, BSG organized an activity of “BRR Innovation Award 2016” (Organization Innovation Contest) in order to exchange knowledge and create new innovation within the organization. Additionally, employees’ training and improvement in a variety of work functions was proceeded to apply and develop knowledge to become the best practice, which is capable to bring about beneficial innovation for work performance and work adjustment for BSG. This project is the long-term human resource development to support the experienced employees conveys knowledge to others, for instance: environmental issue, security, information technology, accounting and social responsibility. The purpose of the project is to ensure that knowledge will be remained within the organization. As a result of the above performance, BSG received an Honor Award on Behalf of “Innovative Organization of the year 2016” at a significant ceremony by Stock Exchange of Thailand, MAI Stock Exchange, Department of National Innovation and Management College, Mahidol University, organized on October 6, 2016.



Social Opportunities Sharing

Opportunities sharing for people particularly in the supportive community area of sugarcane plantation are considered as our mission, especially the provided educational opportunities through the following projects: knowledge return for youth, resistance on children employment and educational budget and scholarship support for schools in BSG practice areas. Additionally, the health care projects were organized namely, the access provision to health care services for Community People organized by our collaboration with Hin Lek Fai Health Care Support Hospital to provide the 3rd Mobile Health Unit Service, the oral cavity health care support service for elderly offered by our collaboration with Health Care Division, Hin Lek Fai Municipal District. Furthermore, the construction of residences was conducted for disadvantaged community people, living around the organization area in purpose of providing them a better health care and life quality.



Corporate Social Responsibility

“Treasures in the land and wealth in the water” is a saying that obviously reflects the image of sugarcane farms territory with the area of over 200,000 Rai in Buriram Province. The above distantly sugarcane farms not only function as if a breadbasket, providing nourishment to businessmen and agriculturists of 15,000 families, but also have become a significant business foundation of sugar production and cumulative business support, associated with BSG on behalf of the sugar industry pioneer of over 5- decade-establishment in Northeast Region.

BSG applied the management principle concept of “sugarcane agriculturist businessmen” to generate the sustainability in the organization therefore the organization needs to integrate the knowledge and pass on the above concept from generation to generation. In addition, BSG emphasized the community as a home where the assistance and generosity is required among each member of our home. Hence, BSG has been continuously organizing the following social activities, as follows:



Health Care Support

In 2016, BSG leaded by Buriram Sugar Factory Company Limited, organized the annual health care examination for employees with their good collaboration of health care examination service access. Additionally, the 1st and 2nd mobile health unit activities on behalf of health care examination service access were conducted for people who live in 5-kilometer-distance area and nearby the workplace. Furthermore, the department of CSR also conducted the survey about life conditions of people who accommodate nearby the workplace in order to create the better relationship with the community through organizing the projects, for example, basic life rescue training for farmers, healthy Thai food with a healthy heart, academic training of “Well-being Community” for health care volunteers in Hin Lek Fai Community and the budget support for the emergency room construction of health care support hospital, Tambon Hin Lek Fai.



Educational Support

The Department of CSR collaborated with our volunteer staffs in the organization to organize the project named “The 2nd Knowledge Return for Youth” to the schools located in the areas of 5-kilometre around the workplace. For example, Ban Sao-e School, Ban Hin Lek Fai School, Ban Kooborn School and Ban Saprakam Tarworn School. The purpose of this project is to provide them knowledge about environment, drugs, resistance campaign against children employment in sugarcane farms as well as ice-breaking activities between BSG employees and students and scholarship provided to primary and secondary students in some special occasions such as National Mother’s Day, National Children’s Day and so on. The alms canteen was also provided in that day. In addition, the educational support project which is called “BRR: Cuts in Classroom Hours and Rise in Being Knowledgeable Time on the Way to Sustainability” Activity for Ban Nongkwang School was completely succeeded, guaranteed with the National Championship Award in the 66th Students’ Handicrafts Event at Rangsit Campus, Thammasart University. Nevertheless, BRR Skill up O-NET Project 2016 was also organized for students’ potential development and O-NET Preparation on behalf of youth’s educational upgrade guidance as well.



The Inheritance of Cultures and Traditions

BSG has participated in the local activities according to the several religious and traditional occasions around the workplace. Our activities emphasized the teamwork working system from planning procedure to activities performance, in which BSG and the community are engaged. The activities are included as follows: 1) Water-Pouring Ceremony with a Blessing from a Respected Elder during the Annual Songkran Festival; 2) “The Beginning of Buddhist Lent” Activity in which BSG has annually been involved with our arrangement of candle procession; 3) The Almshouse Activity During the Beginning of Buddhist Lent; 4) Loy Kratong Festival Activity with the Gratuity Support for Kratong Parade Contest and Beauty Contest, Hin Lek Fai Municipal District; 5) The Almshouse Activity During the End of Buddhist Lent; 6) The Ceremony of Presenting Yellow Robes to the Buddhist Monks in Purpose of Sermon Hall Construction in a Monastery at the End of the Buddhist Lent; 7) The Annual Activities of Songkran Festival and Day of Eldery at Silareang Temple, Ban Hin Lek Fai. All of these activities showed the great collaboration outcomes from both employees and all stakeholders, particularly the community.



Corporate Social Responsibility of BSG is considered as a key to open the way of the sustainable growth for the organization, together with the ongoing development of society, economy and national culture.





Buriram Sugar Public Company Limited (BRR)

Awards/Certificates	Certified by	Descriptions
 Innovation Award 2016	National Innovation Agency of Thailand (The Development of Organic Business in Thailand) cooperate with Stock Exchange of Thailand and The Market for Alternative Investment (MAI)	To guarantee the ability and potentiality in innovation management of the Company



Buriram Sugar Factory Company Limited (BSF)

Awards/Certificates	Certified by	Descriptions
ISO 9001:2008 – Quality Management System 	SGS (Thailand) Company Limited	To guarantee the international standard of BSF's quality management system
Good Manufacturing Practice (GMP) 	SGS (Thailand) Company Limited	To certify the administration and management system of the factory and the production process which focuses on the raw materials quality control, the cleanness of the factory area and the production equipment, the worker sanitation, including the standard of the production

Awards/Certificates	Certified by	Descriptions
		technics and machines in order to generate the product reliability and safety, particularly in produce the food and drugs.
<p>Hazard Analysis and Critical Control Points (HACCP)</p> 	<p>SGS (Thailand) Company Limited</p>	<p>To certify the management of produce quality control.</p> <p>The preventative food safety system which is scientifically analyzed for microbiological, physical and chemical hazards.</p>
<p>Good Manufacturing Practice in Quality Safety Production (GMP)</p> 	<p>Department of Agriculture, Ministry of Agriculture and Cooperatives</p>	<p>To certify the quality management of factory and the production process which focuses on the raw materials quality control, the cleanness of the factory area and the production equipment, the worker sanitation, including the standard of the production technics and machines in order to generate the product reliability and safety.</p>



Awards/Certificates	Certified by	Descriptions
<p>Hazard Analysis and Critical Control Points (HACCP)</p> 	<p>Department of Agriculture, Ministry of Agriculture and Cooperatives</p>	<p>To certify the management of produce quality control.</p>
<p>The Quality Standard of Plant Product Factory Certificate</p>	<p>Department of Agriculture, Ministry of Agriculture and Cooperatives</p>	<p>Registration of this certificate is pursuant to declaration of Department of Agriculture according to the regulations, procedures and conditions of the registration of the plant product factory B.E. 2559</p>
<p>The Quality Standard of Transformation of Agricultural Products Factory Certificate</p>	<p>Department of Agriculture, Ministry of Agriculture and Cooperatives</p>	<p>To certify the quality standard of the factory in order to issue the phytosanitary certificate</p>
<p>Environmental Good Governance Award</p> 	<p>Office of The Cane and Sugar Board (OCSB)</p>	<p>BSF has the commitment to operate the business with the environmental effect awareness and its pollution management pursuant to the laws. In addition, the pollution management information shall be disclosed to public precisely so that people can suggest the solutions for pollution problems. Its operation is prepared for energy</p>

Awards/Certificates	Certified by	Descriptions
		conservation and management to properly allocate the resources to community. Besides, BSF also provides the channels to receive the comments from stakeholders in order to improve as suggested including perform corporate social responsibility fairly.
<p>Green Industry – Level 2 (Green Activity)</p> 	Ministry of Industry	To certify the improvement of the organization environmental scheme in order to decrease the environmental effects
<p>Green Industry – Level 3 (Green System)</p> 	Ministry of Industry	To certify the systematic environmental management

Awards/Certificates	Certified by	Descriptions
<p>Water Footprint for Sustainable Water Management Certificate in Food Industry for Export and Trading</p> 	Office of Industrial Economics	To certify the sustainable water management of BSF
Carbon Footprint Certification	Office of Industrial Economics	To certify the reducing of greenhouse gas from production process
Food Safety Certification (Food and Drug Administration)	Buriram Provincial Public Health, Ministry of Public Health	To certify the quality of sugar under the brand of “Key Brand Sugar” and “BRUM”
Thai Industrial Standard Sugar Product Certification (TIS 56-2552)	Thai Industrial Standards Institute, Ministry of Industry	To certify that quality and standard of the products pursuant to the regulations of Ministry of Industry.
<p>Halal Food Certification</p> 	The Central Islamic Committee of Thailand	To certify that the products of BSF are not against to the Islamic principles.

Buriram Sugarcane Research and Development Company Limited (BRD)

Awards/Certificates	Certified by	Descriptions
 <p>Mr. Samai Yuiram, the sugar cane farmer of the Buriram Sugar Group got the prize of the excellent and quality sugar cane products who owns the planting area of 1-59 Rai.</p>	Office of The Cane and Sugar Board (OCSB)	Farmer got the efficient supports and suggestions both knowledge and practices in sugar canes planting from BRD
 <p>Mr. Tan Kaenoi, the sugar cane farmer of the Buriram Sugar Group got the prize of proficient production factor management who owns the planting area of 60-199 Rai.</p>	Office of The Cane and Sugar Board (OCSB)	Farmer got the efficient supports and suggestions both knowledge and practices in sugar canes planting from BRD
 <p>Mr. Pon Tengram, the sugar cane farmer of the Buriram Sugar Group got the consolation prize of proficient production factor management who owns the planting area of 200 Rai above.</p>	Office of The Cane and Sugar Board (OCSB)	Farmer got the efficient supports and suggestions both knowledge and practices in sugar canes planting from BRD

Awards/Certificates	Certified by	Descriptions
 <p>Mrs. Petchree Chanakar, the sugar cane farmer of the Buriram Sugar Group got the consolation prize of sugar cane farm management in safety and eco-friendly who owns the planting area of 60-199 Rai.</p>	Office of The Cane and Sugar Board (OCSB)	Farmer got the efficient supports and suggestions both knowledge and practices in sugar canes planting from BRD
 <p>Mr. Kiang Priebson, the sugar cane farmer of the Buriram Sugar Group got the prize of self-reliance cane farm of sugar cane farm in northeast area.</p>	Office of The Cane and Sugar Board (OCSB)	Farmer got the efficient supports and suggestions both knowledge and practices in sugar canes planting from BRD

Buriram Energy Company Limited (BEC)

Awards/Certificates	Certified by	Descriptions
<p>2016 Excellent Business in Good Corporate Governance Award in Provincial Level</p> 	Department of Business Development, Ministry of Commerce	To certify that BEC operated the business according to the laws and the principles of the morality, the transparency, the participation, the responsibility and the cost-effectiveness.

Awards/Certificates	Certified by	Descriptions
Certificate of Participation in Environmental Good Governance Project in 2015	Ministry of Industry	To certify the awareness of the organization in safety and environment including the pollution management caused by production
Green Industry – Level 3 (Green System)	Ministry of Industry	To certify the systematic environmental management
Green Industry – Level 2 (Green Activity)	Ministry of Industry	To certify the improvement of the organization environmental scheme in order to decrease the environmental effects
ISO 14001 : 2004 – Environment Management System	SGS (Thailand) Company Limited	To guarantee the international organization for standardization in the scope of the environment management system which defines that the environmental improvement must be compatible with business improvement though focusing on the prevention of pollution continuously
ISO 9001:2008 – Quality Management System	SGS (Thailand) Company Limited	To guarantee the international organization for standardization in the scope of the quality management system


Buriram Power Company Limited (BPC)

Awards/Certificates	Certified by	Descriptions
ISO 9001:2008 – Quality Management System	SGS (Thailand) Company Limited	To guarantee the international organization for standardization in the scope of the quality management system
Green Industry – Level 1 (Green Commitment)	Ministry of Industry	To certify the organizational commitment in decrease the environmental effects
Green Industry – Level 2 (Green Activity)	Ministry of Industry	To certify the improvement of the organization environmental scheme in order to decrease the environmental effects

Key Brand Fertilizer Company Limited (KBF)

Awards/Certificates	Certified by	Descriptions
Product Certification – Quality of Fertilizer Tablets (Grade 1) No. 7573/2558 	Land Development Department, Ministry of Agriculture and Cooperatives	To certify the quality of agricultural production

Awards/Certificates	Certified by	Descriptions
<p>Product Certification – Quality of Fertilizer Tablets (Grade 2) No. 7574/2558</p> 	<p>Land Development Department, Ministry of Agriculture and Cooperatives</p>	<p>To certify the quality of agricultural production</p>
<p>Product Certification – Quality of Fertilizer Powder (Grade 2) No. 7577/2558</p> 	<p>Land Development Department, Ministry of Agriculture and Cooperatives</p>	<p>To certify the quality of agricultural production</p>
<p>Green Industry – Level 1 (Green Commitment)</p> 	<p>Ministry of Industry</p>	<p>To certify the organizational commitment in decrease the environmental effects</p>

<p>Green Industry – Level 2 (Green Activity)</p> 	<p>Ministry of Industry</p>	<p>To certify the improvement of the organization environmental scheme in order to decrease the environmental effects</p>
<p>Quality Standard in Preventing and Solving the Problems of Drugs Using in Workplace</p>	<p>Buriram Provincial Administration Organization</p>	<p>To certify the drug prevention standard</p>



14 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 and other related person. The suitable internal control is covered financial statement review and operational control, as well as, execution of laws and the Company's rule and also communication the important policies in the Company's code of conduct to related person to ensure that the Company can achieve its corporate goals effectively and efficiently.

Internal audit is a vital part of internal control system, the audit committee appointed the internal audit manager of the Company who has experience in the internal audit field. The manager is qualified as shown in the attachment 3 of form 56-1.

Risk Management

The Company's Risk Management Committee set the risk management policy and procedure for the Risk Management Office to execute that is responsible for defining and design work system including identification of risk factors. To plan operations or performance by considering the risk factors that will make the Office can design a system with a control point that will enable it to manage and control risk at an acceptable level as detailed in the risk factors section. The risk management principles will follow the COSO-ERM (The Committee of Sponsoring Organizations of the Treadway Commission: Enterprise Risk Management), which combine the main eight key component aspects as follow:

- | | |
|-----------------------------------|------------------------|
| (1) Internal Environment | (2) Objective Setting |
| (3) Event Identification | (4) Risk Assessment |
| (5) Risk Response | (6) Control Activities |
| (7) Information and Communication | (8) Monitoring |

The Risk Management Committee aware of risk management, therefore to appoint the Risk Management Office, which acts as an authorities risk management based on COSO-ERM and Business Unit, as well as to provide awareness to all employees across the organization on risk management with organize in-house training by inviting the expert from outside and the training which was organized by the Risk Management Office and the Internal Audit Office together. Moreover, the Risk Management Committee has established the risk management working group to management risks in line with the objectives of organization and each department.

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 those 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 Tangtrongwechakij	is a director of the Company and holds 4.05% of the Company's shares.
4.	Mr. Adisak Tangtrongweachakit	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 Tangtrongweachakij	is a spouse of Mr. Sarit Tangtrongweachakij.
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 Tangtrongweachakit
12.	The Thai Sugar Trading Co., Ltd.	has 1 co-director with the Company which is Mr. Anant Tangtongwechakit and the Company holds 4.26% 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

Potentially Conflicted Company and Persons	Nature of Transactions	Amount 2016 (Baht)	Rationale of Transaction
1. The Thai Sugar Trading Co., Ltd. (TSTC)	<u>Transaction with the Company</u> <ul style="list-style-type: none"> - Revenue from sales - Selling and administrative expenses (Export agent charge, Financial instruments trading agent charge, Transportation at sea port fee, Export documents and customs procedures) - Trade receivables - Other receivable - Trade payables 	<p>2,282,461,510.35</p> <p>5,907,526.99</p> <p>12,111,434.84</p> <p>3,456,973.80</p> <p>475,251.41</p>	<ul style="list-style-type: none"> - The Company appoints TSTC which licensed by the Cane and Sugar Board to export sugar under the Cane and Sugar Act, as the Company's agent for sugar exports. - TSTC founded via collaboration of 22 sugar factories. Each sugar 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 TSTC equally charge to other companies. - TSTC signs loan contract for BSF export with a commercial bank on behalf of TSTC for financial support. TSTC will transfer amount of money received from export loan with the commercial bank to BSF. BSF then issues promissory note to TSTC for money receipt. The interest rate that BSF pay to TSTC in the promissory note is same as interest rate that TSTC pays to the commercial bank. <p>Opinion of the Audit Committee</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. - The hire purchase is for the administration and operation of the Company.

Potentially Conflicted Company and Persons	Nature of Transactions	Amount 2016 (Baht)	Rationale of Transaction
2. Six Directors which are Mr. Anant Tangtongwechakit, Mr. Adisak Tangtongwechakit, Mr. Sarit Tangtongwechakit, Mrs. Jirawan Pongpichitkul, Miss Chittima Tangtongwechakit, and Mrs. Wanphen Punyaniran	As of 31 December 2016, 6 directors are loan guarantor of 14 cars and 2 machineries used of moving material of the company group in total with 16 commercial banks and leasing companies of amount total guarantee of 11,314,245.39 Baht.		<p><u>Opinion of the Audit Committee</u></p> <ul style="list-style-type: none"> - The loan guarantee is a regular condition of the hire purchase. It is necessary in business operations and there is no fee is charged for the guarantee so that the Company and its subsidiaries do not waste benefit from such an operation.
3. Five Directors which are Mr. Anant Tangtongwechakit, Mr. Adisak Tangtongwechakit, Mr. Sarit Tangtongwechakit, Mrs. Jirawan Pongpichitkul and Miss Chittima Tangtongwechakit,	As of 31 December 2016, the guarantee loan facility of the Company and its subsidiaries to the bank is 1,061.00 million baht worth of guarantees.		<ul style="list-style-type: none"> - Loan facility for working capital in manufacturing and a loan to purchase property in the operations of its subsidiaries and there is non fee charged for the guarantees. <p><u>Opinion of the Audit Committee</u></p> <ul style="list-style-type: none"> - The loan guarantee is a regular condition of the commercial bank. It is necessary in business operations and there is no fee is charged for the guarantee so that the Company and its subsidiaries do not waste benefit from such an operation.
4. Six Directors which are Mr. Anant Tangtongwechakit, Miss Chittima Tangtongwechakit, Mr. Sarit Tangtongwechakit, Mr. Adisak Tangtongwechakit, Mrs. Jirawan Pongpichitkul, and Mrs. Wanphen Punyaniran	<u>Farmer receivable – advance credit</u> In production year 2014/ 2015, 2015/2016, 2016/2017 and 2017/2018 BSF has provided advance credit to the directors and their close relatives which due when delivering cane to the factory as detailed below:		<ul style="list-style-type: none"> - To provide advance credit to farmers for liquidity of cane growing to ensure cane procurement that is an ordinary operation of general sugar factory. The price and condition applied to the directors and their close relatives that are the same as normal farmers'. - Cane procurement is an ordinary business process of the Company. The cane purchase price from the directors and their close relatives that are the same as other farmers'.

Potentially Conflicted Company and Persons	Nature of Transactions	Amount 2016 (Baht)	Rationale of Transaction
and close relatives of directors which are Police General Charnchai Pongpichitkul, Mr. Pond Rattanapunsak and Mrs. Pakinee Tangtrongwechakij	<ul style="list-style-type: none"> - Beginning Loans - Loans during the period - Total Loan - Paid during the period - Accounts receivable balances - other receivables - The purchase of sugarcane - Value of fertilizers and inputs suppliers. 	59,091,824.38 7,253,544.73 66,345,369.11 (10,844,475.86) 55,500,893.25 - 17,517,993.95 2,222,868.78	<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 and the purchase price and the condition are the same as other farmers'.
5. BRS Train Terminal Logistics Co., Ltd. (BRS)	The Company appoints BRS Train Terminal Logistics Co., Ltd. to transport products of the Company. BRS Train Terminal Logistics Co., Ltd. rents the Company's area as office <ul style="list-style-type: none"> - Transportation fee - Warehouse rental fee - Office rental fee - Lost sugar fine revenue - Trade payables at end of period - Other trade payables at end of period 	4,249,315.50 454,730.50 240,000.00 - 4,451.86 -	<ul style="list-style-type: none"> - The Company needs to deliver the product to customers, therefore the Company has hired BRS for delivery service. - For the convenience of taking care of the shipping, the Company allows BRS to rent a part of the Company's office to operate the BRS's office and the rental fee is the same as other offices' in the same building. - Lost Sugar fine revenue will be accounted from lost sugar during transportation in the price of 20 Baht per kg by recording 19 Baht per kg for sugar retail price and the remaining 1 Baht per kg for the estimated cost to compensate for document operation. - Since B. R. S. operates the railway transportation and warehouse business, which are at the high risk due to short-term lease contracts. If the contract is terminated, all assets will become property of the State Railway of Thailand. Moreover, BRR can use service from other transportation companies and BRS is able to perform their transport and storage facilities business without BRR, so the Executives do not affiliate BRS with the business group of BRR.

Potentially Conflicted Company and Persons	Nature of Transactions	Amount 2016 (Baht)	Rationale of Transaction
			<p>- For hire BRS in the future, there will be not less than four contractors to offer service prices. After that the Company will compare their prices and inform result to the Audit Committee for acknowledgement. Moreover, BRS will not be allowed to transport sugar exceeding 30 percent of sugar quantity for export.</p> <p><u>Opinion of the Audit Committee</u></p> <p>- To hire other companies for transportation is ordinary and necessary for business operation of the Company. Moreover, BRS's service price is compared with other transportation companies'.</p>

Measures for Connected Transaction Approval

In case of the normal transactions such as the goods and raw material purchase, service providing or advance credit for supporting sugarcane planting and etc., the Company or its subsidiaries 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.

The Company has set a transaction policy of money on a person who may have a conflict with the follow supervisories:

1. The scope of authority
2. The review of transactions

1. Scope of Authority

Advance credit for supporting sugarcane planting for farmers, including the cost of planting, seeds, fertilizer and agro-chemicals, the land rental, the cost for sugarcane, a drip irrigation system, the land for planting sugarcane, the agricultural machineries, tractors, sugarcane harvesters, trucks and etc.

The executives has no authority to approve the advance credit in the other matter than planting sugarcane. The purchase of sugarcane does not count as a support cane planting. In addition, if there are advance credit transactions for other matters except for supporting sugarcane planting, the Audit Committee must consider and approve before submission to the Board of Directors or shareholder approval depending on the size of the transaction, according to the rules as prescribed by the relevant notifications of the Capital Market Supervisory Board and the Board of the Stock Exchange of Thailand.

2. Review of Transactions

The internal auditor will investigate the transaction by

- 2.1 Check the completeness of the list by examines the people who may have conflict of interest compare with individual advance credit accounts.
- 2.2 Bring the detected list to verify whether the transaction, supporting document, price, conditions and approval procedures which have been approved by the Company policy or not.
- 2.3 Summarize the results of the audit and report to the Audit Committee in every quarterly.

The hiring process for transport sugar with B.R.S. Trainterminal Logistics Co., Ltd. which may have a conflict of interest. Requiring the action is as follows:

- Needs to provide for bids from at least four providers.
- Need obvious scope of services, for example origin and destination location, year of production or other services and etc.
- Arrange a contract that specifies the obvious price and terms.
- Summarize the conclusion for choosing the service providers compared with those who had not been selected to report to the Audit Committee.
- The Company and its subsidiaries can not hire BRS to transport sugar exceeded than 30 percent of the sugar of the Company and its subsidiary for export. However, in the year 2015, the Company hired BRS to transport up to not exceeding than 40 percent due to the freight rates cheaper than general contractors.

In case of 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 has no expertise in any of the connected transaction, the Company shall appoint independent expert 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, the Securities and Exchange Commission and 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 Connected Transaction

The Company or its subsidiary will continue to have recurrent connected transactions in the future that are conducted as part of the normal course of business, for example, cane procurement and cane growing support money. The pricing policy will be clearly set in agreement and linked to market prices and conditions with no special favors and no transfer of benefits that person of ordinary prudence would conduct and the conditions of transactions are without any special bargaining power that occurred from influence of being a director, an executive, or any related persons. The transactions will be primarily based on the Company's benefits and always reviewed by the 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 conflict of interest in the future, the Board of Directors shall govern the Company's operation to ensure that they are in compliance with the securities laws and the regulations, orders and rules of the Stock Exchange of Thailand 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.

To : All Shareholders of Buriram Sugar Public Company Limited

Buriram Sugar Public Company Limited 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 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 Tangtrongwechakit.

In 2016, the Risk Management Committee had meeting totaled 4 meetings. The details of the Risk Management Committee attendant are as follows;

Name List	Number of Meeting
1. Mr. Anant Tangtongwechakit	2/4
2. Mrs. Jirawan Pongpichitkul	4/4
3. Miss Chittima Tangtrongwechakit	4/4
4. Mr. Sarit Tangtrongwechakit	4/4
5. Mr. Adisak Tangtrongwechakit	4/4

The Risk Management Committee has established a policy on risk management and control effective activities to cover the major operations that are essential to business operations and report the risk management to the Audit Committee to ensure that it could achieve the defined objectives with the following agenda of the meeting in 2016.

1. Risk Management Plan of 2016

Risk Management Committee allows the Risk Owner and related person to report on the progress in risk management plans for each program and results of each risk management operation activity planned.

2. Risk Management

Risk Management Committee proposed amendments to the Risk Owner for more effectively risk management.

3. Monitor and Supervise the Risk Management Plan.

Risk Management Committee arranged for the Risk Management Office to monitor risk management plan and report Key Risk Indicator and also arrange a meeting every quarter.

4. Establish a Working Group on Risk Management

The Risk Management Committee realizes and recognizes the importance of managing the risks that arise so there approved the establishment of an enterprise risk working group to achieve the planned risk management for tracking and reporting risk management plan to be more effective in order to create awareness about the risks to all employees in the organization.

According to above, the Committee is responsible for overseeing risk management in order to develop a risk management system to be appropriate for the long-term benefits to the Company and business groups and to ensure in business operations. The Risk Management Committee expected the continued development and led the Company and its subsidiaries will be able to achieve the purpose of executing the business plan required. It is considered to build and maintain the value of the organization to deliver to the shareholders and stakeholders of the Company and the subsidiaries.

To: All shareholders of Buriram Sugar Public Company Limited

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

1. Mr. Prachuab Chaiyasarn Chairman of the Audit Committee
2. Mr. Sirichai Sombutsiri Audit Director
3. Mrs. Seenual Tasanapant Audit Director

In 2016, the Audit Committee had meeting with the management team, the internal audit office and the auditor totaled 4 meetings. The details of the audit committee attendant are as follows;

Name List	Number of Meeting
Mr. Prachuab Chaiyasarn	4/4
Mr. Sirichai Sombutsiri	4/4
Mrs. Seenual Tasanapant	4/4

A summary of the important work performed by the Audit Committee and its opinions are as follows;

- **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 2016 which have been reviewed and audited by the auditor. The Committee deemed that the financial reports for 2016 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 2016 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 the Securities and Exchange Act B.E. 2535, the Stock Exchange of Thailand ("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, qualified, experienced and appropriate according to the auditing standards. Ergo, the committee has agreed to propose to the Board to ask for approval from the shareholder's meeting to continue appointing PricewaterhouseCoopers ABAS Ltd. as the Company's auditor for 2016.

- **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. 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 has 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 of the Risk Management Office

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 2016 Annual Report.

- **Review of whistle blowing system**

The Audit Committee has considered and reviewed the whistle blowing channel by created the complaint channel, provide the opinion and report the illegal activity that may have the violation or non-compliance with laws and the corporate governance policy and the code of conduct. The internal audit office has responsible for receive the complaints of the corporate governance policy and the code of conduct.

Whistle blowing Channel

1. By mail: The Chairman of Corporate Governance Committee

Buriram Sugar Public Company Limited (BRR)

128/77-78, 7th floor Phayathai plaza building, Phayathai Road,
Thung Phayathai Sub-district, Ratchathewi District, Bangkok 10400

Or Internal Audit Office

Buriram Sugar Public Company Limited (BRR)

128/77-78, 7th floor Phayathai plaza building, Phayathai Road,
Thung Phayathai Sub-district, Ratchathewi District, Bangkok 10400

2. Suggestion box

- **Review of policy and internal control of risk assessment process on corruption**

The Audit Committee has considered and reviewed to ensure that the system has guidelines to prevent corruption according to the result that internal audit has already inspect and evaluates and also reports on the self-assessment of Thai Institute of Directors.



(Mr. Prachuab Chaiyasan)

Chairman of the Audit Committee

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Report on the Board of Director's Responsibility for the Financial Statements

Board of Directors has realized the duties and the responsibility for separate financial statements and consolidated financial statements of the Company and its subsidiaries including the financial information which disclosed in 2016 Annual Registration Statement (56-1 Form) and 2016 Annual Report in accordance with financial reporting standards under the Accounting Act B.E. 2543, the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535 (as amended) and the notification of the Capital Market Supervisory Board No. TorChor. 44/2556 concerning to terms and conditions and the reporting procedures for the disclosure of financial statements and operating results of the company issued the securities.

Board of Directors has chosen and implemented the most appropriate accounting policies through all the years, including the financial statement preparation with careful consideration and the reasonable projection and sufficiently disclosure the important information in footnotes to financial statements which reviewed and audited by the auditor. Besides, the auditor also commented in the audit report that the consolidated financial statement of the Company and its subsidiaries and the separate financial statement year ended December 31, 2016 showed the validity of the financial position, operating results and cash flow pursuant to the important matters concerning to the disclosure standard of the financial statements.

Nevertheless, Board of Directors has set and recommended the system of risk management and internal audit and the improvement of the good governance, code of conducts and the anti-corruption in the organization continuously for shareholders, investors and all stakeholders, therefore stakeholders can assure that the financial statements of the Company was recognized completely with the accurate and sufficient information in order to maintain the assets and prevent the anti-corruption as well as the irregular execution significantly by appointment the Audit Committees which consist of independent director who are responsible for reviewing the quality and regulating the financial statements, the information in the footnotes of financial statements and any transaction with the relevant companies, including evaluating the sufficiency of the internal

control and audit efficiently in order to report to the Board of Directors accordingly. The comments of the audit committees are shown in the report of audit committees which is disclosed in the 2016 Annual Registration Statement (56-1 Form) and 2016 Annual Report.

Board of Directors agreed that the system performance of internal control and audit in the Company is overall satisfactory which can confirm that the consolidated financial statement of the Company and its subsidiaries and the separate financial statement year ended December 31, 2016 are accurate and reliable in accordance with the regular standard of accounting.



(Prachuab Chaiyasan)

Chairman of Board of Directors



(Anant Tangtongwechakit)

Chairman of Executive Committees and
Managing Director



19 Financial Statements

BURIRAM SUGAR PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2016

Independent Auditor's Report

To the shareholders of Buriram Sugar Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Buriram Sugar Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Valuation of raw material sugarcane price. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<p>Valuation of raw material - Sugarcane price</p> <p>Refer to Note 3.7 'Accounting policies - Inventory' and Note 12 'Inventory' to the consolidated and separate financial statements.</p> <p>The Group has an inventory balance as of 31 December 2016 totalling Baht 581.63 million. Management assesses the price of the raw material sugarcane, which is calculated based on a market price announced by the government for the prior year's crop and an estimated price for the current crop. The estimated price is calculated by a reliable external source in the sugar industry, and it requires management judgement on the assumptions used in the valuation of raw material cost e.g. demand and supply, and future world prices of sugar.</p> <p>I focused on this area due to the size of the inventory balance and because of the subjectivity of management's judgment on the reasonableness of the assumptions used in the valuation of the raw material cost.</p>	<p>I inquired management in order to understand the accounting treatment and the nature of transactions for the raw material cost calculation. I challenged management about the appropriateness of the assumptions used and the calculation method, including the consistency of the method applied.</p> <p>I obtained the detailed report used in the valuation and tested if the information was accurate and appropriate, which included the calculation.</p> <p>I assessed if the assumptions used in the valuation of raw materials were reasonable by comparing them with the reliable external source. I considered that they were in line with the historical and current information, and the same industry.</p> <p>Based on my procedures above, I found that the assumptions made by management in relation to the calculation of raw material cost to be reasonable based on the available evidence.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

Prasit Yuengsrikul

Certified Public Accountant (Thailand) No. 4174

Bangkok

23 February 2017

Buriram Sugar Public Company Limited
Statements of Financial Position
As at 31 December 2016

	Notes	Consolidated financial statements			Separate financial statements		
		2016	2015	2014	2016	2015	2014
			(Restated)	(Restated)		(Restated)	(Restated)
		Baht	Baht	Baht	Baht	Baht	Baht
Assets							
Current assets							
Cash and cash equivalents	9	85,346,019	213,924,458	348,532,521	4,491,384	11,598,663	223,683,992
Trade and other receivables, net	10, 32	214,995,565	221,160,556	293,034,267	33,746,237	156,982,032	245,364,016
Farmer receivables, net	11, 32	990,066,535	701,900,883	505,484,382	10,300,000	10,900,000	15,641,446
Inventories, net	12	581,629,513	715,206,897	610,541,403	-	-	-
Current portion of long-term borrowings to subsidiaries	32	-	-	-	95,000,000	74,000,000	-
Current portion of long-term borrowings to farmers	16, 32	175,765,724	96,149,413	82,180,598	-	-	-
Other current assets	13	48,245,082	48,705,481	73,368,417	7,958,509	9,474,900	17,261,650
Total current assets		<u>2,096,048,438</u>	<u>1,997,047,688</u>	<u>1,913,141,588</u>	<u>151,496,130</u>	<u>262,955,595</u>	<u>501,951,104</u>
Non-current assets							
Other long-term investments, net	15	1,995,734	1,903,650	1,980,470	587,959	495,875	572,695
Investment in subsidiaries	14	-	-	-	1,445,476,600	1,280,477,600	1,270,478,100
Long-term borrowings to subsidiaries, net	32	-	-	-	2,652,863,752	3,317,568,630	2,183,190,318
Long-term borrowings to farmers, net	16, 32	203,031,477	110,448,967	183,127,380	-	-	-
Other receivable - Office of the Cane and Sugar Fund	17	-	155,848,895	-	-	-	-
Property, plant and equipment, net	18	4,684,626,966	4,264,589,304	3,051,997,385	15,634,001	11,564,851	22,238,783
Intangible assets, net	19	27,750,587	17,214,881	12,008,156	10,491,058	-	-
Deferred tax assets, net	20	195,806,890	211,129,582	221,097,174	10,667,628	11,146,337	12,145,179
Other non-current assets		17,596,448	6,293,592	2,192,630	156,900	-	-
Total non-current assets		<u>5,130,808,102</u>	<u>4,767,428,871</u>	<u>3,472,403,195</u>	<u>4,135,877,898</u>	<u>4,621,253,293</u>	<u>3,488,625,075</u>
Total assets		<u><u>7,226,856,540</u></u>	<u><u>6,764,476,559</u></u>	<u><u>5,385,544,783</u></u>	<u><u>4,287,374,028</u></u>	<u><u>4,884,208,888</u></u>	<u><u>3,990,576,179</u></u>

Director _____

Date _____

Buriram Sugar Public Company Limited
Statements of Financial Position
As at 31 December 2016

	Notes	Consolidated			Separate		
		financial statements			financial statements		
		2016	2015	2014	2016	2015	2014
		(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
		Baht	Baht	Baht	Baht	Baht	Baht
Liabilities and equity							
Current liabilities							
Bank overdrafts	22	-	8,344	34,435,771	-	-	-
Trade and other payables	21, 32	602,354,572	512,263,048	488,659,795	11,752,547	145,203,832	243,334,327
Short-term borrowings from financial institutions	22	1,710,253,155	1,475,176,244	2,165,091,347	1,003,953,155	1,358,215,988	1,260,160,698
Current portion of long-term borrowings from financial institutions and others	22	508,671,328	304,304,422	159,878,070	-	-	-
Current portion of hire-purchase liabilities	22	10,105,057	10,566,953	10,150,845	251,802	-	10,656
Debentures	22	850,000,000	-	-	850,000,000	-	-
Long-term borrowings from financial institutions	22	422,159,900	-	-	-	-	-
Current portion of employee benefit obligations	24	9,343,087	6,645,665	1,381,380	3,423,149	2,991,329	526,847
Income tax payable		4,239,336	12,872,312	4,308,534	354,339	6,762,888	366,326
Other current liabilities	23	15,750,240	26,908,051	31,489,127	8,340,440	6,127,810	6,694,068
Total current liabilities		4,132,876,675	2,348,745,039	2,895,394,869	1,878,075,432	1,519,301,847	1,511,092,922
Non-current liabilities							
Long-term borrowings from financial institutions and others, net	22	961,041,026	1,390,186,734	452,901,495	-	-	-
Hire-purchase liabilities, net	22	15,630,342	14,069,629	9,673,567	777,980	-	-
Debentures	22	-	850,000,000	-	-	850,000,000	-
Deferred tax liabilities, net	20	443,997	9,155,233	9,714,573	-	-	-
Employee benefit obligations, net	24	23,237,045	26,147,625	29,455,662	7,930,227	8,978,121	11,221,752
Other non-current liabilities		856,000	-	-	-	-	-
Total non-current liabilities		1,001,208,410	2,289,559,221	501,745,297	8,708,207	858,978,121	11,221,752
Total liabilities		5,134,085,085	4,638,304,260	3,397,140,166	1,886,783,639	2,378,279,968	1,522,314,674

Buriram Sugar Public Company Limited
Statements of Financial Position
As at 31 December 2016

	Note	Consolidated financial statements			Separate financial statements		
		2016	2015	2014	2016	2015	2014
			(Restated)	(Restated)		(Restated)	(Restated)
		Baht	Baht	Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)							
Equity							
Share capital							
Authorised share capital							
676,750,000 ordinary shares							
at par value of Baht 1 each		<u>676,750,000</u>	<u>676,750,000</u>	<u>676,750,000</u>	<u>676,750,000</u>	<u>676,750,000</u>	<u>676,750,000</u>
Issued and paid-up share capital							
676,750,000 ordinary shares							
fully paid-up of Baht 1 each		676,750,000	676,750,000	676,750,000	676,750,000	676,750,000	676,750,000
Premium on ordinary shares		954,665,813	954,665,813	954,665,813	954,665,813	954,665,813	954,665,813
Retained earnings							
Appropriated							
- Legal reserve	26	39,680,867	25,669,147	18,096,416	39,680,867	25,669,147	9,439,650
Unappropriated		420,828,757	468,904,450	338,971,884	729,478,458	849,252,872	827,753,498
Other components of equity		<u>15,251</u>	<u>(408,912)</u>	<u>(347,456)</u>	<u>15,251</u>	<u>(408,912)</u>	<u>(347,456)</u>
Equity attributable to owners of the parent							
		2,091,940,688	2,125,580,498	1,988,136,657	2,400,590,389	2,505,928,920	2,468,261,505
Non-controlling interests		<u>830,767</u>	<u>591,801</u>	<u>267,960</u>	-	-	-
Total equity		<u>2,092,771,455</u>	<u>2,126,172,299</u>	<u>1,988,404,617</u>	<u>2,400,590,389</u>	<u>2,505,928,920</u>	<u>2,468,261,505</u>
Total liabilities and equity		<u>7,226,856,540</u>	<u>6,764,476,559</u>	<u>5,385,544,783</u>	<u>4,287,374,028</u>	<u>4,884,208,888</u>	<u>3,990,576,179</u>

Buriram Sugar Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Revenue from sales and services	27	4,579,212,363	4,226,648,347	-	-
Cost of sales and services		<u>(3,818,638,471)</u>	<u>(3,321,645,151)</u>	<u>-</u>	<u>-</u>
Gross profit		760,573,892	905,003,196	-	-
Other income	28	95,225,189	63,081,912	259,198,662	377,859,858
Gain (loss) on foreign exchange rate		11,093,070	6,124,926	(969)	-
Selling expenses		(170,626,771)	(175,727,418)	-	-
Administrative expenses		(376,955,843)	(346,944,873)	(128,547,444)	(126,141,609)
Finance costs		<u>(176,701,185)</u>	<u>(125,488,835)</u>	<u>(76,918,283)</u>	<u>(60,016,574)</u>
Profit before income tax expense		142,608,352	326,048,908	53,731,966	191,701,675
Income tax expense	30	<u>(29,287,465)</u>	<u>(53,701,744)</u>	<u>(11,307,349)</u>	<u>(19,305,702)</u>
Net profit for the year		<u>113,320,887</u>	<u>272,347,164</u>	<u>42,424,617</u>	<u>172,395,973</u>
Other comprehensive income (expense):					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	24	1,897,886	1,113,642	658,706	853,623
Income tax relating to remeasurements of post-employment benefit obligations		<u>(158,780)</u>	<u>(222,728)</u>	<u>38,983</u>	<u>(170,725)</u>
		<u>1,739,106</u>	<u>890,914</u>	<u>697,689</u>	<u>682,898</u>
Items that will be reclassified subsequently to profit or loss					
Change in value of available-for-sale investments		34,428	(76,820)	34,428	(76,820)
Transferred disposal of available-for-sale investments		408,912	-	408,912	-
Income tax relating to change in value of available-for-sale investments		<u>(19,177)</u>	<u>15,364</u>	<u>(19,177)</u>	<u>15,364</u>
		<u>424,163</u>	<u>(61,456)</u>	<u>424,163</u>	<u>(61,456)</u>
Other comprehensive income for the year, net of tax		<u>2,163,269</u>	<u>829,458</u>	<u>1,121,852</u>	<u>621,442</u>
Total comprehensive income for the year		<u>115,484,156</u>	<u>273,176,622</u>	<u>43,546,469</u>	<u>173,017,415</u>
Profit attributable to:					
Owners of the parent		113,082,955	271,964,585	42,424,617	172,395,973
Non-controlling interests		<u>237,932</u>	<u>382,579</u>	<u>-</u>	<u>-</u>
		<u>113,320,887</u>	<u>272,347,164</u>	<u>42,424,617</u>	<u>172,395,973</u>
Total comprehensive income attributable to:					
Owners of the parent		115,245,190	272,793,841	43,546,469	173,017,415
Non-controlling interests		<u>238,966</u>	<u>382,781</u>	<u>-</u>	<u>-</u>
		<u>115,484,156</u>	<u>273,176,622</u>	<u>43,546,469</u>	<u>173,017,415</u>
Earnings per share					
Basic earnings per share	31	0.17	0.40	0.06	0.25

Buriram Sugar Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2016

Consolidated financial statements											
		Retained earnings			Other components of Equity						
		Premium on ordinary shares		Appropriated Legal reserve		Unappropriated		Fair value reserve of available-for-sale investments			
Notes	Issued and paid-up share capital	Baht	Baht	Baht	Baht	Baht	Baht	Total owners of the parent	Non-controlling interests	Total	Baht
Opening balance as at 1 January 2016											
25	Dividend paid	676,750,000	954,665,813	25,669,147	468,904,450	(408,912)	2,125,580,498	591,801	2,126,172,299		
26	Legal reserve	-	-	-	(148,885,000)	-	(148,885,000)	-	(148,885,000)		
	Total comprehensive income for the year	-	-	14,011,720	(14,011,720)	-	-	-	-		
Closing balance as at 31 December 2016											
		676,750,000	954,665,813	39,680,867	420,828,757	15,251	2,091,940,688	830,767	2,092,771,455		
Opening balance as at 1 January 2015											
25	Dividend paid	676,750,000	954,665,813	18,096,416	338,971,884	(347,456)	1,988,136,657	267,960	1,988,404,617		
26	Legal reserve	-	-	-	(135,350,000)	-	(135,350,000)	(60,440)	(135,410,440)		
	Increase in non-controlling interests	-	-	7,572,731	(7,572,731)	-	-	-	-		
	Total comprehensive income for the year	-	-	-	272,855,297	(61,456)	272,793,841	382,781	273,176,622		
Closing balance as at 31 December 2015											
		676,750,000	954,665,813	25,669,147	468,904,450	(408,912)	2,125,580,498	591,801	2,126,172,299		

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Buriram Sugar Public Company Limited

Statements of Cash Flows

For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
			(Restated)		(Restated)
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax expense		142,608,352	326,048,908	53,731,966	191,701,675
Adjustments to reconcile profit before income tax expense to net cash provided by operations:					
- Depreciation and amortisation	29	217,807,610	160,525,162	1,757,670	2,567,000
- Interest income	28	(47,224,855)	(24,707,039)	(179,199,606)	(163,170,588)
- Dividend income	28	(153,510)	(153,510)	-	(96,059,620)
- Allowance for doubtful accounts (Reversal)	10, 11	14,042,099	(29,018,371)	(1,666,096)	(30,456,578)
- Allowance for declining in value of inventories	12	4,349,522	1,084,254	-	-
- Losses on impairment of property plant and equipment	18	33,885,040	-	-	-
- (Gains) losses on disposals of property, plant and equipment		2,992,907	(6,764,172)	-	(502,489)
- Losses on write-off of property, plant and equipment		595,399	720,490	525,988	486,927
- Losses on disposals of investments		351,256	-	351,256	-
- Finance costs		176,701,185	125,488,835	76,918,283	60,016,574
- Employee benefit expenses	24	4,086,703	3,369,970	1,351,782	1,165,554
Cash flows before changes in operating assets and liabilities		550,041,708	556,594,527	(46,228,757)	(34,251,545)
Change in operating assets and liabilities					
- Trade and other receivables		(8,731,562)	71,873,710	119,697,594	187,957,821
- Farmer receivables		(287,311,198)	(167,398,130)	2,266,096	35,198,024
- Inventories		129,227,862	(105,749,748)	-	-
- Other current assets		460,399	24,662,936	1,516,391	7,786,750
- Other receivable-Office of the Cane and Sugar Fund		155,848,895	(155,848,895)	-	-
- Other non-current assets		(11,302,856)	(4,100,962)	(156,900)	-
- Trade and other payables		87,514,710	18,240,099	(133,705,737)	(103,252,413)
- Other current liabilities		(11,157,811)	(4,581,076)	2,212,630	(566,258)
- Employee benefit obligations		(2,401,975)	(300,080)	(1,309,150)	(91,080)
- Other non-current liabilities		856,000	-	-	-
Cash generated from (used in) operating activities		603,044,172	233,392,381	(55,707,833)	92,781,299
- Income tax paid		(31,486,942)	(35,937,078)	(17,217,382)	(12,065,659)
- Interest paid		(174,124,370)	(120,125,682)	(76,663,831)	(54,894,656)
Net cash generated from (used in) operating activities		397,432,860	77,329,621	(149,589,046)	25,820,984

Statements of Cash Flows

For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
			(Restated)		(Restated)
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Interest received		47,224,855	24,707,039	182,737,807	159,654,370
Dividend received	28	153,510	153,510	-	-
Proceeds from long-term borrowings to subsidiaries		-	-	1,208,604,776	444,000,000
Proceeds from long-term borrowings to farmers	16	96,149,412	82,180,599	-	-
Payments on long-term borrowings to subsidiaries		-	-	(564,899,898)	(1,652,378,312)
Payments on long-term borrowings to farmers	16	(268,348,233)	(23,471,000)	-	-
Purchase of investment in subsidiaries		-	-	(164,999,000)	(9,999,500)
Proceeds from disposals of property, plant and equipment		1,901,682	19,393,014	-	8,275,430
Purchases of property, plant and equipment and intangible assets		(655,038,773)	(1,339,342,136)	(15,612,659)	(152,935)
Capitalised borrowing costs to property, plant and equipment		(20,233,007)	(35,340,141)	-	-
Net cash (used in) generated from investing activities		(798,190,554)	(1,271,719,115)	645,831,026	(1,050,600,947)
Cash flows from financing activities					
Proceeds from (repayments on) short-term borrowings from financial institutions	22	235,068,567	(724,342,529)	(354,262,833)	98,055,290
Proceeds from long-term borrowings from financial institutions and others	22	502,238,640	1,709,277,400	-	-
Proceeds from issuance of debentures	22	-	850,000,000	-	850,000,000
Repayments on long-term borrowings from financial institutions and others	22	(304,857,542)	(627,565,809)	-	-
Repayments on hire-purchase liabilities		(11,385,410)	(12,178,691)	(201,426)	(10,656)
Proceeds from issuance of ordinary shares from non-controlling interests		-	1,500	-	-
Dividend paid	25	(148,885,000)	(135,350,000)	(148,885,000)	(135,350,000)
Dividend paid to non-controlling interests		-	(60,440)	-	-
Net cash generated from (used in) financing activities		272,179,255	1,059,781,431	(503,349,259)	812,694,634
Net decrease in cash and cash equivalents		(128,578,439)	(134,608,063)	(7,107,279)	(212,085,329)
Opening balance		213,924,458	348,532,521	11,598,663	223,683,992
Closing balance		85,346,019	213,924,458	4,491,384	11,598,663
Non-cash transactions					
Purchases of property, plant and equipment under hire-purchase liabilities		12,484,227	16,990,862	1,231,209	-

1 General information

Buriram Sugar Public Company Limited (the “Company”) is a public limited company which is listed on the Stock Exchange of Thailand, limited company incorporated and resident in Thailand. The address of the Company’s registered offices are 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) Electricity generation and distribution
- 4) Other businesses

These Group consolidated financial statements were authorised for issue by the Board of Directors on 23 February 2017.

2 Financial status

As at 31 December 2016, the Group and the Company have current liabilities greater than current assets of Baht 2,036.83 million and Baht 1,726.58 million, respectively. However, the Group is in the process of filing and request for an approval from the Securities and Exchange Commission for the Infrastructure Fund of Buriram Sugar Group (“The Fund”) which sells net revenue of power plant business of subsidiaries, Buriram Energy Co., Ltd. and Buriram Power Co., Ltd. The Group has expected to receive cash from selling the Fund unit approximately amount of Baht 3,717.00 million and to settle the current liabilities. Thus, the Group can continue its operations for a period of next 12 months from the date of this report. Also, the Group is able to comply with the current and future financial obligations. Therefore, these financial statements are prepared on the going concern basis.

3 Accounting policies

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

3.1 Basis for preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting 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 separate 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 6.

An English version of the consolidated and separate financial statements has 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.

Buriram Sugar Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2016

3 Accounting policies (Cont'd)

3.2 New/revised financial reporting standards, and related interpretations

- a) New/revised financial reporting standards and interpretation which are effective on 1 January 2016 are as follows:

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income taxes
TAS 16 (revised 2015)	Property, plant and equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee benefits
TAS 20 (revised 2015)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 23 (revised 2015)	Borrowing costs
TAS 24 (revised 2015)	Related party disclosures
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 27 (revised 2015)	Separate financial statements
TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 29 (revised 2015)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 36 (revised 2015)	Impairment of assets
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TAS 41 (revised 2015)	Agriculture
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 4 (revised 2015)	Insurance contracts
TFRS 5 (revised 2015)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2015)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 11 (revised 2015)	Joint arrangements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement
TSIC 10 (revised 2015)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2015)	Service concession arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2015)	Intangible assets - Web site costs

3 Accounting policies (Cont'd)

3.2 New/revised financial reporting standards, and related interpretations (Cont'd)

- a) New/revised financial reporting standards and interpretation which are effective on 1 January 2016 are as follows: (Cont'd)

TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2015)	Applying the restatement approach under TAS29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 12 (revised 2015)	Service concession arrangements
TFRIC 13 (revised 2015)	Customer loyalty programmes
TFRIC 14 (revised 2015)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2015)	Agreements for the construction of real estate
TFRIC 17 (revised 2015)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2015)	Transfers of assets from customers
TFRIC 20 (revised 2015)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2015)	Levies

The Group has applied the aforementioned financial reporting standards from 1 January 2016. However, the application of those financial reporting standards has no significant impacts to the financial statements being presented.

- b) Revised financial reporting standards and interpretation which are for annual periods beginning on or after 1 January 2017 and the Group has not yet early adopted are as follows:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of cash flows
TAS 8 (revised 2016)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2016)	Events after the reporting period
TAS 11 (revised 2016)	Construction contracts
TAS 12 (revised 2016)	Income taxes
TAS 16 (revised 2016)	Property, plant and equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee benefits
TAS 20 (revised 2016)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2016)	The effects of changes in foreign exchange rates
TAS 23 (revised 2016)	Borrowing costs
TAS 24 (revised 2016)	Related party disclosures
TAS 26 (revised 2016)	Accounting and reporting by retirement benefit plans
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 29 (revised 2016)	Financial reporting in hyper-inflationary economies
TAS 33 (revised 2016)	Earnings per share
TAS 34 (revised 2016)	Interim financial reporting
TAS 36 (revised 2016)	Impairment of assets
TAS 37 (revised 2016)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2016)	Intangible assets
TAS 40 (revised 2016)	Investment property
TAS41(revised 2016)	Agriculture

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3 Accounting policies (Cont'd)

3.2 New/revised financial reporting standards, and related interpretations (Cont'd)

- b) Revised financial reporting standards and interpretation which are for annual periods beginning on or after 1 January 2017 and the Group has not yet early adopted are as follows: (Cont'd)

TFRS 2 (revised 2016)	Share-based payment
TFRS 3 (revised 2016)	Business combinations
TFRS 4 (revised 2016)	Insurance contracts
TFRS 5 (revised 2016)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2016)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2016)	Operating segments
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements
TFRS 12 (revised 2016)	Disclosure of interests in other entities
TFRS 13 (revised 2016)	Fair value measurement
TSIC 10 (revised 2016)	Government Assistance - No specific relation to operating activities
TSIC 15 (revised 2016)	Operating leases - Incentives
TSIC 25 (revised 2016)	Income taxes - Changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2016)	Evaluating the substance of transactions in the legal form of a lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue - Barter transactions involving advertising services
TSIC 32 (revised 2016)	Intangible assets - Web site costs
TFRIC 1 (revised 2016)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2016)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2016)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2016)	Applying the restatement approach under TAS 29 Financial reporting in hyper-inflationary economies
TFRIC 10 (revised 2016)	Interim financial reporting and impairment
TFRIC 12 (revised 2016)	Service concession arrangements
TFRIC 13 (revised 2016)	Customer loyalty programmes
TFRIC 14 (revised 2016)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2016)	Agreements for the construction of real estate
TFRIC 17 (revised 2016)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2016)	Transfers of assets from customers
TFRIC 20 (revised 2016)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2016)	Levies
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

The Group will apply the aforementioned financial reporting standards from 1 January 2017. The Group's management assessed and determined that the application of those financial reporting standards has no significant impact to the financial statements being presented.

3 Accounting policies (Cont'd)

3.3 Group accounting - Investments in subsidiaries

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method 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 to the former owners of acquiree and the equity interest 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 either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurements are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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 identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured 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. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, 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.

A list of the Group's principal subsidiaries and the effect from the acquisition and disposal of subsidiaries have been disclosed in Note 14.

(2) Transaction and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(3) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

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3 Accounting policies (Cont'd)

3.4 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.

3.5 Cash and cash equivalents

In the 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 statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

3.6 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 profit or loss within administrative expense.

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, collaterals 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.

3.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost of merchandise inventories, 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.

3 Accounting policies (Cont'd)

3.8 Other investments

Investments other than investments in subsidiaries are classified into two categories: (1) available-for-sale investments and (2) 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.

(1) 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.

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

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

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 available for sale investments are recognised in other comprehensive income.

General investments are carried at cost less impairment loss.

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.

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 Group'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.

3.9 Property, plant and equipment

Property, plant and equipment are initially recorded at cost and subsequently stated at historical cost less accumulated depreciation and allowance for impairment loss. Costs include directly attributable expenses in acquiring such asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful life, as follows:

	<u>Years</u>
Land improvement	10 - 30 years
Building and building improvement	5 - 40 years
Machinery and tools	5 - 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.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in profit or loss.

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3 Accounting policies (Cont'd)

3.10 Intangible assets

3.10.1 Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Amortisation is calculated using the straight-line method over their useful life of 5 years.

3.10.2 Right to use of assets

Expenditure on right to use of assets which are transmission lines is capitalised and amortised using the straight-line method over their useful life of 20 years.

3.11 Impairment of assets

Assets that have an indefinite useful life, for example trademark and licences, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.12 Leases - where the Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the Group has substantially 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 or the lease term.

3.13 Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

3 Accounting policies (Cont'd)

3.14 Borrowings

Borrowings and debentures are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings and debentures 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 profit or loss 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.

3.14.1 Borrowings costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Borrowing costs comprise:

- Interest arising from long-term borrowings including related tax
- Amortisation of transaction costs

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.15 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 and its subsidiaries 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, 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.

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3 Accounting policies (Cont'd)

3.16 Employee benefits

The Group operate various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a retirement 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. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act. B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that have terms to maturity approximating to the terms of the related pension liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, and others.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

3.17 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.

3.18 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the compensation of costs are deferred and recognised in profit or loss over the period necessary to match them with the costs they are intended to compensate.

3 Accounting policies (Cont'd)

3.19 Revenue recognition

Sale of goods and services rendered

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of rebates and discounts, and after eliminating sales within the Group. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Service income is recognised as services are provided.

Interest and dividend income

Interest income is recognised using the effective interest method. Dividends are recognised when the right to receive payment is established.

Other income

Other income is recognised in the statement of comprehensive income on an accrual basis.

3.20 Dividend distribution

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

3.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer that makes strategic decisions.

Segment information is presented in respect of the Group's business segments which is based on the Group's management and internal reporting structure (See more information in Note 8).

4 Financial risk management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including, exchange rate risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity 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.

4.1.1 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. The Group has entered into foreign currency forward contracts to mitigate risk from exchange rate fluctuation.

4.1.2 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.

4.1.3 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. Derivative counterparties and cash transactions are limited to high-credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

4.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding and the ability to manage risk. Due to the dynamic nature of the underlying business, the Group's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

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4 Financial risk management (Cont'd)

4.2 Pricing risk factors regarding raw materials and products

4.2.1 Sugar cane and sugar prices fluctuation risk

The Group has a fluctuation risk from sugar cane and sugar prices. The sugar cane and sugar industry in Thailand is an industry under the supervision of a government agency, the Cane and Sugar Board, under the Cane and Sugar Act B.E. 2527, which imposes the following restrictions:

1. A quota system for the allocation of sugar distribution channels, as follows:
 - 1.1 Quota A for the sugar produced for domestic consumption,
 - 1.2 Quota B for the raw sugar identified by the Cane and Sugar Board as for processing by sugar mills for delivery to Thailand Cane and Sugar Corporation ("TCSC") for distribution. This quota is used as a base for setting the standard price of raw sugar exports to calculate the income of the system,
 - 1.3 Quota C for the sugar processed by sugar mills for export sales or as raw materials for the manufacture of products to be exported.
2. Allocation of net income generated by the system between the cane farmers and the sugar mills under a benefit sharing arrangement, whereby cane farmers receive 70% of the income, which is the cane price, and the sugar mills receive 30%, which is the return on production.

The net income of the cane and sugar system is calculated based on the income from the domestic sugar distribution (Quota A) and income from exports (Quota B and Quota C: using the average price of the sugar in Quota B and the exchange rate of the actual sales made by TCSC as the base for calculation of export sales income) less the expenses of the Cane and Sugar Industry. Currently, the ratio of exported sugar to domestically sold sugar is approximately 70:30.

4.3 Accounting for derivative financial instruments

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts. Such instruments are not recognised in the financial statements on inception. Gain or loss is recognised in the statement of comprehensive income when the contracts are settled or expired.

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses on the derivative instruments which relate to borrowings are offset for financial reporting purposes and are recognised as finance costs in the income statement, whereas the gains and losses on the derivative instruments which relate to trading business are offset for financial reporting purposes and are recognised as other income - net in the income statement.

4.4 Fair value estimation

Analysis of financial instruments carried at fair value, by valuation method, the different levels have been defined as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 : Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

5 Changes in presentation

Changes in presentation

Certain amounts in the statements of financial position as at 31 December 2015 and 1 January 2015 have been reclassified to conform to the current year's classification but without effect to previously reported profit (loss) or shareholders' equity. The reclassifications are as follows:

	(Unit : Baht)			
	Consolidated financial statements			
	As at 31 December 2015		As at 1 January 2015	
	As reclassified	As previously reported	As reclassified	As previously reported
Trade and other receivables, net	221,160,556	227,944,568	293,034,267	302,873,569
Farmer receivables, net	701,900,883	908,499,263	505,484,382	770,792,360
Current portion of long-term borrowings to farmers	96,149,413	-	82,180,598	-
Long-term borrowings to farmers	110,448,967	-	183,127,380	-
Deferred tax assets, net	211,129,582	201,974,349	221,097,174	211,382,601
Short-term borrowings from financial institutions	1,475,176,244	1,481,960,256	2,165,091,347	2,174,930,649
Deferred tax liabilities, net	9,155,233	-	9,714,573	-
Current portion of employee benefit obligations	6,645,665	-	1,381,380	-
Employee benefit obligations, net	26,147,625	32,793,290	29,455,662	30,837,042

	(Unit : Baht)			
	Separate financial statements			
	As at 31 December 2015		As at 1 January 2015	
	As reclassified	As previously reported	As reclassified	As previously reported
Trade and other receivables, net	156,982,032	163,766,044	245,364,016	255,203,318
Short-term borrowings from financial institutions	1,358,215,988	1,365,000,000	1,260,160,698	1,270,000,000
Current portion of employee benefit obligations	2,991,329	-	526,847	-
Employee benefit obligations, net	8,978,121	11,969,450	11,221,752	11,748,599

6 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.

6.1 Allowance for doubtful accounts of trade receivables and farmer receivables

In determining an allowance for doubtful accounts, management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts, collaterals and the prevailing economic condition.

The Group has policy to set up allowance for doubtful accounts based on period of overdue balance. Allowance for doubtful accounts is provided in full amount (after deducting appraisal value of collaterals).

6.2 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 the previously estimation, or it will write off or write down technically obsolete or assets that have been abandoned or sold. The Group reviews for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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6 Critical accounting estimates, assumptions and judgements (Cont'd)

6.3 Provision for employee benefits

The present value of the provision for employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions including discount rate, salary increasing rate, dead rate, and turnover rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefits obligations. In determining the appropriate discount rate, the Group considers the interest rate of government bonds that have terms to maturity approximating the terms of the related employee benefits liability.

Additional information of other key assumptions for the provision for employee benefits are disclosed in Note 24.

6.4 Raw material costs

The Group purchased sugar cane for the production season 2016/2017 using the initial sugar cane price which was announced by the Cane and Sugar Board's on 30 November 2016 adjusted by sweetness of sugar cane purchased to recognise raw materials and payables for the production season 2016/2017. As at the audit report date, the Cane and Sugar Board has not announced the final price of sugar cane for the production season 2016/2017 yet since the production season is not ended.

7 Capital risk management

The Group's objectives of capital management 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.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

8 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
- Electricity generation and distribution
- Other businesses

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

The accounting policies for the operating segments are in accordance with the summaries of accounting policies above. Unallocated costs mainly represent corporate expenses.

Geographic information

The Group's revenue from sales external customers approximately 50.14 % is mostly the local sales. Revenue attributed to foreign countries are mainly from countries in Asia Pacific. In addition, most non-current assets of the Group are located in Thailand.

Major customer

The Group has no revenue from sales transactions with a single external customer that amounts to 10% or more of the Group's revenue. Therefore, the Group does not present the information about major customers.

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8 Operating segments (Cont'd)

Operating segments of the Group are as follows:

For the year ended 31 December

	Unit : Million Baht									
	Sugar and Molasses business		Trading agriculture products		Electricity generation and distribution		Others		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue from sales and services										
- Local	1,538	1,423	628	755	529	489	150	153	2,845	2,820
- Overseas	2,283	2,094	-	-	-	-	-	-	2,283	2,094
Total	3,821	3,517	628	755	529	489	150	153	5,128	4,914
Profit from operating segments	420	558	83	88	154	147	16	14	673	807
Administrative and selling expenses									87	98
Finance costs									(441)	(454)
Income tax expense									(177)	(125)
Net profit for the year									(29)	(54)
									113	272
As at 31 December										
Inventories, net	508	593	73	125	5	10	-	-	586	728
Property, plant and equipment, net	2,828	2,624	111	120	1,746	1,525	16	12	4,701	4,281
Other assets, net	1,843	1,804	588	483	424	1,030	4,278	4,879	7,133	8,196
Total assets	5,179	5,021	772	728	2,175	2,565	4,294	4,891	12,420	13,205
									(5,193)	(6,441)
									7,227	6,764

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9 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash on hand	410,000	400,000	80,000	70,000
Deposits held at call with banks	84,936,019	213,524,458	4,411,384	11,528,663
	<u>85,346,019</u>	<u>213,924,458</u>	<u>4,491,384</u>	<u>11,598,663</u>

As at 31 December 2016, the weighted average effective interest rate of deposits held at call with banks was 0.38 % per annum (2015 : 0.40% per annum).

10 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
<u>Trade receivables - third parties, net</u>				
Current	46,475,415	69,405,952	-	-
Overdue:				
Up to 3 months	1,394,207	8,553,512	-	-
Over 3 months less than 12 months	13,757,766	4,232,270	-	-
Over 12 months	10,222,565	8,594,383	8,250,423	8,250,423
	<u>71,849,953</u>	<u>90,786,117</u>	<u>8,250,423</u>	<u>8,250,423</u>
<u>Less</u> Allowance for doubtful accounts	<u>(23,146,976)</u>	<u>(8,250,423)</u>	<u>(8,250,423)</u>	<u>(8,250,423)</u>
	<u>48,702,977</u>	<u>82,535,694</u>	<u>-</u>	<u>-</u>
<u>Trade receivables - related parties</u>				
Current	12,111,434	6,669,397	5,249,872	10,171,741
Overdue:				
Up to 3 months	589,807	491,248	-	2,268,894
Over 3 months less than 12 months	32,808	168,333	-	6,064,760
Over 12 months	-	200,680	-	6,685,360
	<u>12,734,049</u>	<u>7,529,658</u>	<u>5,249,872</u>	<u>25,190,755</u>
<u>Other receivables</u>				
Advance payments	1,791,159	2,838,224	179,698	1,269,116
Prepaid expenses	112,184,055	95,849,873	1,447,338	2,840,005
Accrued income - third parties	36,126,351	32,407,107	-	-
Accrued income - related parties	3,456,974	-	-	-
Accrued interest income - related parties	-	-	25,785,329	29,323,530
Accrued dividend income - related parties	-	-	-	98,309,530
Other receivables - third parties	-	-	-	49,096
Other receivables - related parties	-	-	1,084,000	-
	<u>153,558,539</u>	<u>131,095,204</u>	<u>28,496,365</u>	<u>131,791,277</u>
Total trade and other receivables, net	<u>214,995,565</u>	<u>221,160,556</u>	<u>33,746,237</u>	<u>156,982,032</u>

11 Farmer receivables, net

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Farmer receivables	1,069,923,413	782,612,215	84,235,373	86,501,469
<u>Less</u> Allowance for doubtful accounts	<u>(79,856,878)</u>	<u>(80,711,332)</u>	<u>(73,935,373)</u>	<u>(75,601,469)</u>
	990,066,535	701,900,883	10,300,000	10,900,000

Outstanding farmer receivables can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Season 2017/2018	330,475,436	-	-	-
Season 2016/2017	585,507,302	121,473,090	-	-
Season 2015/2016	39,866,684	526,841,927	-	-
Season 2014/2015	24,292,941	40,879,597	-	-
Season 2013/2014	3,330,282	4,486,709	-	-
Season 2012/2013	1,221,331	1,339,364	-	-
Season 2011/2012	994,064	1,090,059	-	-
Before season 2011/2012	84,235,373	86,501,469	84,235,373	86,501,469
	1,069,923,413	782,612,215	84,235,373	86,501,469
<u>Less</u> Allowance for doubtful accounts	<u>(79,856,878)</u>	<u>(80,711,332)</u>	<u>(73,935,373)</u>	<u>(75,601,469)</u>
	990,066,535	701,900,883	10,300,000	10,900,000

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Season 2017/2018	109,815	-	-	-
Season 2016/2017	1,966,692	18,217	-	-
Season 2015/2016	-	2,551,516	-	-
	2,076,507	2,569,733	-	-

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12 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Raw materials	22,560,685	37,196,022	-	-
Finished goods	471,554,404	574,317,732	-	-
Merchandise inventories	38,475,748	63,484,999	-	-
Work in process	8,832,622	4,670,201	-	-
Factory supplies	46,311,257	37,293,624	-	-
	<u>587,734,716</u>	<u>716,962,578</u>	<u>-</u>	<u>-</u>
<u>Less</u> Allowance for obsolete and damaged inventories				
- Raw materials	(823,450)	-	-	-
- Finished goods	-	(1,326,140)	-	-
- Merchandise inventories	(1,445,260)	-	-	-
- Work in process	(3,480,569)	-	-	-
- Factory supplies	(355,924)	(429,541)	-	-
	<u>(6,105,203)</u>	<u>(1,755,681)</u>	<u>-</u>	<u>-</u>
	<u>581,629,513</u>	<u>715,206,897</u>	<u>-</u>	<u>-</u>

The cost of inventories recognised as expenses and included in 'cost of sales' amounting to Baht 3,519.55 million (2015 : Baht 3,082.10 million).

13 Other current assets

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Revenue department receivable	5,018,992	-	-	-
Refundable input VAT	32,798,062	32,041,376	7,772,496	207,913
Undued input VAT	5,515,473	12,636,421	40,679	8,964,753
Others	4,912,555	4,027,684	145,334	302,234
	<u>48,245,082</u>	<u>48,705,481</u>	<u>7,958,509</u>	<u>9,474,900</u>

14 Investment in subsidiaries

The movements of investment in subsidiaries for the years ended 31 December 2016 and 2015 are as follows:

	Separate financial statements	
	2016 Baht	2015 Baht
Beginning balance	1,280,477,600	1,270,478,100
Acquisitions	164,999,000	9,999,500
Ending balance	<u>1,445,476,600</u>	<u>1,280,477,600</u>

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14 Investment in subsidiaries (Cont'd)

The details of investment in subsidiaries which are located in Thailand as presented in the Company financial statements are as follows:

Company's	Issued and paid-up share capital		% Ownership interest		Cost method		Dividend income	
	2016 Million Baht	2015 Million Baht	2016 Percentage	2015 Percentage	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Buriram Sugar Factory Co., Ltd.	1,050	1,050	99.90	99.90	1,049	1,049	-	63
Buriram Sugarcane Research and Development Co., Ltd.	71	71	99.99	99.99	70	70	-	-
Buriram Energy Co., Ltd. and a subsidiary	136	136	99.99	99.99	136	136	-	27
Buriram Power Co., Ltd.	170	170	99.99	99.99	-	-	-	-
Buriram Power Plus Co., Ltd.	160	10	99.99	99.99	160	-	-	-
Chamni Sugar Factory Co., Ltd. (Formerly named Buriram Super Power Co., Ltd.)	5	5	99.99	99.99	5	-	-	-
Key brand Fertilizer Co., Ltd.	15	15	99.99	99.99	15	15	-	6
Buriram Sugar Capital Co., Ltd. (Formerly named Buriram Agro Energy Co., Ltd.)	10	10	99.99	99.99	10	10	-	-
Total investment in subsidiaries					1,445	1,280	-	96

Changes of investment in subsidiaries for the year ended 31 December 2016 comprises of:

Buriram Power Plus Co., Ltd.

At the Extraordinary Shareholders' Meeting no. 1/2016 of Buriram Power Plus Co., Ltd. held on 7 April 2016, the shareholders passed a resolution to increase in the registered capital according to the results of the Board of Director Meeting No. 2/2016 of Buriram Power Plus Co., Ltd. held on 21 March 2016 by increasing in the registered capital from 100,000 ordinary shares to 1,600,000 ordinary shares at a par value of Baht 100 per share. The Company registered the increased share capital with the Ministry of Commerce on 7 April 2016.

At the Company's Board of Director Meeting No. 3/2016 held on 29 March 2016, Board of Director approved to purchase ordinary shares of Buriram Power Plus Co., Ltd. amount of 99,994 shares from Buriram Energy Co., Ltd. at par value of Baht 100 each totaling Baht 9,999,400 which had fully paid-up amount. Buriram Power Plus Co., Ltd. registered its change in share capital with the Ministry of Commerce on 20 April 2016.

At the Company's Board of Director Meeting No. 3/2016 held on 29 March 2016, Board of Director approved to purchase ordinary shares of Buriram Power Plus Co., Ltd. amount of 1,500,000 shares at par value of Baht 100 each totaling Baht 150,000,000 which had fully paid-up amount. Buriram Power Plus Co., Ltd. registered its change in share capital with the Ministry of Commerce on 7 April 2016.

At the Company's Board of Director Meeting No. 2/2016 held on 16 March 2016, Board of Director approved to purchase ordinary shares of Buriram Power Plus Co., Ltd. amount of 1 share at par value of Baht 100 each totaling Baht 100 which had fully paid-up amount. Buriram Power Plus Co., Ltd. registered its change in share capital with the Ministry of Commerce on 7 April 2016.

Buriram Super Power Co., Ltd.

At the Extraordinary General Meeting of Shareholders No.2/2559 of Buriram Super Power Co., Ltd. held on 28 October 2016, the shareholders approved to change the Company's name of Buriram Super Power Co., Ltd. Buriram Super Power Co., Ltd. was registered to change its name to be Chamni Sugar Factory Co., Ltd with the Ministry of Commerce on 28 October 2016.

At the Board of Director Meeting No. 3/2016 held on 29 March 2016, Board of Director approved to purchase ordinary shares of Buriram Super Power Co., Ltd. from Buriram Energy Co., Ltd. amount of 49,995 shares at par value of Baht 100 each totaling Baht 4,999,500 which had fully paid-up amount. Buriram Super Power Co., Ltd. registered its change in share capital with the Ministry of Commerce on 20 April 2016.

Buriram Agro Energy Co., Ltd.

At the Extraordinary General Meeting of Shareholders No.2/2559 of Buriram Agro Energy Co., Ltd. held on 28 October 2016, the shareholders approved to change the Company's name of Buriram Agro Energy Co., Ltd. Buriram Agro Energy Co., Ltd. was registered to change its name to be Buriram Sugar Capital Co., Ltd. with the Ministry of Commerce on 28 October 2016.

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15 Other long-term investments, net

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Marketable equity securities - available-for sales	566,720	570,520	566,720	570,520
Increase (decrease) in fair value of AFS Investments	19,064	(76,820)	19,064	(76,820)
	<u>585,784</u>	<u>493,700</u>	<u>585,784</u>	<u>493,700</u>
General investments - equity securities	1,409,950	1,409,950	2,175	2,175
Other long-term investments, net	<u>1,995,734</u>	<u>1,903,650</u>	<u>587,959</u>	<u>495,875</u>

The movements of other long-term investments for the year ended 31 December 2016 are as follows:

	Consolidated financial statements		
	General investments Baht	Available-for-sale securities Baht	Total Baht
Opening net book amount	1,409,950	493,700	1,903,650
Additions	-	566,720	566,720
Disposals	-	(566,720)	(566,720)
Increase in fair value of AFS Investments	-	92,084	92,084
Closing net book amount	<u>1,409,950</u>	<u>585,784</u>	<u>1,995,734</u>

	Separate financial statements		
	General investments Baht	Available-for- sale securities Baht	Total Baht
Opening net book amount	2,175	493,700	495,875
Additions	-	566,720	566,720
Disposals	-	(566,720)	(566,720)
Increase in fair value of AFS Investments	-	92,084	92,084
Closing net book amount	<u>2,175</u>	<u>585,784</u>	<u>587,959</u>

The fair value of available-for-sales investments is based on quoted bid price on the statement of financial position date by reference to the Stock Exchange of Thailand. This is a level 1 fair value measurement.

16 Long-term borrowings to farmers, net

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
- Current portion of long-term borrowings to farmers	175,765,724	96,149,413	-	-
- Long-term borrowings to farmers, net	203,031,477	110,448,967	-	-
	<u>378,797,201</u>	<u>206,598,380</u>	<u>-</u>	<u>-</u>

The movements of long-term borrowings to farmer are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening balance	206,598,380	265,307,979	-	-
Additions	268,348,233	23,471,000	-	-
Repayments received	(96,149,412)	(82,180,599)	-	-
Ending balance	<u>378,797,201</u>	<u>206,598,380</u>	<u>-</u>	<u>-</u>

As at 31 December 2016, interest rates for long-term borrowings to farmers were between 7.02% and 7.15% per annum (2015: 7.15% - 7.25% per annum).

17 Other receivable - Office of the Cane and Sugar Fund

Office of the Cane and Sugar Fund receivable is a compensation, which the Group expects to be received from the Office of the Cane and Sugar Fund. Since the Group management expects that the final cane price and the final return on production and distribution of the production season 2014/2015 will be lower than the initial price, the difference will be paid in accordance with Section 56 of the Cane and Sugar Act B.E. 2527. Vice versa, no repayment is required by the farmer.

The Group has recognised such receivable based on the final cane price and the final return on production and distribution of the production season 2014/2015 that was approved by the Cane and Sugar Commission on 20 January 2016. This is a level 2 fair value measurement.

The Group received the whole compensation due to the final cane price and the final return on production and distribution of the production season 2014/2015 from Office of the Cane and Sugar Fund on 20 June 2016 amounting to Baht 155.85 million.

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18 Property, plant and equipment, net (Cont'd)

As at 31 December 2016, hire-purchase liabilities included in property, plant and equipment at the net book value of Baht 57.78 million (2015: Baht 47.44 million).

As at 31 December 2016, the Group has building and equipment which are fully depreciated but still in use with costs value of Baht 35.95 million (2015: Baht 26.20 million).

As at 31 December 2016, property, plant, and equipment at the net book value of Baht 1,967.38 million are pledged as collaterals for long-term borrowings from financial institutions (2015: Baht 2,095.77 million) (Note 22).

As at 31 December 2016, Borrowing costs of Baht 20.24 million (2015: Baht 35.34 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 5.78% - 5.90% (2015: 5.90% - 6.75%).

During the year ended 31 December 2016, machinery and tools in the consolidated financial statements have an impairment amounting to Baht 33.20 million. The management hired an independent value to measure the assets by using market value method. This is a level 2 fair value measurement. Since the assets were damaged from the production process, therefore, net realisable value has been decreased from net book value.

Separate financial statements						
	Building and building improvement Baht	Machinery and tools Baht	Furniture, fixtures and office equipment Baht	Motor vehicles Baht	Constructions in progress Baht	Total Baht
As at 1 January 2015						
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	<u>6,871,603</u>	<u>5,402,282</u>	<u>4,957,591</u>	<u>5,007,307</u>	-	<u>22,238,783</u>
For the year ended 31 December 2015						
Opening net book amount	6,871,603	5,402,282	4,957,591	5,007,307	-	22,238,783
Additions	86,070	-	580,883	-	-	666,953
Disposals, net	-	(4,702,271)	(3,101,190)	(539,497)	-	(8,342,958)
Write-off, net	(48,838)	(133,697)	(178,666)	(69,726)	-	(430,927)
Depreciation charges	(261,256)	(566,314)	(781,973)	(957,457)	-	(2,567,000)
Closing net book amount	<u>6,647,579</u>	-	<u>1,476,645</u>	<u>3,440,627</u>	-	<u>11,564,851</u>
As at 31 December 2015						
Cost	14,737,764	-	2,525,978	28,110,913	-	45,374,655
<u>Less</u> Accumulated depreciation	(8,090,185)	-	(1,049,333)	(24,670,286)	-	(33,809,804)
Net book amount	<u>6,647,579</u>	-	<u>1,476,645</u>	<u>3,440,627</u>	-	<u>11,564,851</u>
For the year ended 31 December 2016						
Opening net book amount	6,647,579	-	1,476,645	3,440,627	-	11,564,851
Additions	-	-	4,175,153	2,132,224	69,840	6,377,217
Write-off, net	-	-	-	(525,989)	-	(525,989)
Reclassification, net	-	-	(56,814)	-	-	(56,814)
Depreciation charges	(262,245)	-	(658,908)	(804,111)	-	(1,725,264)
Closing net book amount	<u>6,385,334</u>	-	<u>4,936,076</u>	<u>4,242,751</u>	<u>69,840</u>	<u>15,634,001</u>
As at 31 December 2016						
Cost	14,737,764	-	6,000,671	24,534,077	69,840	45,342,352
<u>Less</u> Accumulated depreciation	(8,352,430)	-	(1,064,595)	(20,291,326)	-	(29,708,351)
Net book amount	<u>6,385,334</u>	-	<u>4,936,076</u>	<u>4,242,751</u>	<u>69,840</u>	<u>15,634,001</u>

As at 31 December 2016, hire-purchase liabilities included in property, plant and equipment at the net book value of Baht 1.48 million (2015: Nil).

As at 31 December 2016, property and equipment which are fully depreciated but still in use with costs value of Baht 12.83 million (2015: Baht 16.84 million).

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18 Property, plant and equipment, net (Cont'd)

Depreciation charge for the years ended 31 December 2016 and 2015 is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Depreciation charge for property, plant and equipment				
- Cost of sales	192,647,937	137,058,018	-	-
- Administrative expenses	22,757,001	21,861,586	1,725,264	2,567,000
	<u>215,404,938</u>	<u>158,919,604</u>	<u>1,725,264</u>	<u>2,567,000</u>

19 Intangible asset, net

	Consolidated financial statements			
	Computer software Baht	Right to use assets Baht	Right to use assets under construction Baht	Total Baht
As at 1 January 2015				
Cost	-	-	12,008,156	12,008,156
<u>Less</u> Accumulated amortisation	-	-	-	-
Net book amount	<u>-</u>	<u>-</u>	<u>12,008,156</u>	<u>12,008,156</u>
For the year ended 31 December 2015				
Opening net book amount	-	-	12,008,156	12,008,156
Additions	2,802,540	-	559,168	3,361,708
Transfer in (out)	-	12,567,324	(12,567,324)	-
Reclassification, net	3,450,575	-	-	3,450,575
Amortisation charge	(1,144,182)	(461,376)	-	(1,605,558)
Closing net book amount	<u>5,108,933</u>	<u>12,105,948</u>	<u>-</u>	<u>17,214,881</u>
As at 31 December 2015				
Cost	6,935,790	12,567,324	-	19,503,114
<u>Less</u> Accumulated amortisation	<u>(1,826,857)</u>	<u>(461,376)</u>	<u>-</u>	<u>(2,288,233)</u>
Net book amount	<u>5,108,933</u>	<u>12,105,948</u>	<u>-</u>	<u>17,214,881</u>
For the year ended 31 December 2016				
Opening net book amount	5,108,933	12,105,948	-	17,214,881
Additions	3,310,581	-	9,986,625	13,297,206
Reclassification, net	(303,151)	-	-	(303,151)
Amortisation charge	(1,828,693)	(629,656)	-	(2,458,349)
Closing net book amount	<u>6,287,670</u>	<u>11,476,292</u>	<u>9,986,625</u>	<u>27,750,587</u>
As at 31 December 2016				
Cost	10,582,965	12,567,324	9,986,625	33,136,914
<u>Less</u> Accumulated amortisation	<u>(4,295,295)</u>	<u>(1,091,032)</u>	<u>-</u>	<u>(5,386,327)</u>
Net book amount	<u>6,287,670</u>	<u>11,476,292</u>	<u>9,986,625</u>	<u>27,750,587</u>

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19 Intangible asset, net (Cont'd)

	Separate financial statements			Total Baht
	Computer software Baht	Right to use assets Baht	Right to use assets under construction Baht	
As at 1 January 2016				
Cost	-	-	-	-
<u>Less</u> Accumulated amortisation	-	-	-	-
Net book amount	-	-	-	-
For the year ended 31 December 2016				
Opening net book amount	-	-	-	-
Additions	535,700	-	9,986,625	10,522,325
Reclassification, net	56,814	-	-	56,814
Amortisation charge	(88,081)	-	-	(88,081)
Closing net book amount	504,433	-	9,986,625	10,491,058
As at 31 December 2016				
Cost	1,236,160	-	9,986,625	11,222,785
<u>Less</u> Accumulated amortisation	(731,727)	-	-	(731,727)
Net book amount	504,433	-	9,986,625	10,491,058

20 Deferred income taxes, net

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Deferred tax assets, net :				
Deferred tax assets to be recovered within 12 months	860,804	265,228	-	-
Deferred tax assets to be recovered more than 12 months	194,946,086	210,864,354	10,667,628	11,146,337
	195,806,890	211,129,582	10,667,628	11,146,337
Deferred tax liabilities, net:				
Deferred tax liabilities to be settled within 12 months	360,237	85,908	-	-
Deferred tax liabilities to be settled more than 12 months	(804,234)	(9,241,141)	-	-
	(443,997)	(9,155,233)	-	-
Deferred income taxes, net	195,362,893	201,974,349	10,667,628	11,146,337

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
At 1 January	201,974,349	211,382,601	11,146,337	12,145,179
Credited to profit or loss	(6,228,066)	(9,200,888)	(343,156)	(843,481)
Credited to comprehensive income	(383,390)	(207,364)	(135,553)	(155,361)
At 31 December	195,362,893	201,974,349	10,667,628	11,146,337

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20 Deferred income taxes, net (Cont'd)

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

	Consolidated financial statements						
	Depreciation	Provision for employee benefits	Allowance for doubtful accounts	Allowance for decrease in inventory value	Loss carried forward	Fair value adjustment available-for-sale investments	Intangible assets
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Deferred tax assets, net							
At 1 January 2016	189,380,790	3,165,772	8,961,341	265,229	3,403,586	15,364	5,937,500
Charged (credited) to profit or loss	(13,759,213)	185,471	(227,991)	595,576	(468,135)	(15,364)	(1,495,071)
Credited to comprehensive income	-	(134,152)	-	-	-	(3,813)	-
At 31 December 2016	175,621,577	3,217,091	8,733,350	860,805	2,935,451	(3,813)	4,442,429
At 1 January 2015	203,140,003	3,154,061	9,854,259	48,333	4,900,518	-	-
Charged (credited) to profit or loss	(13,759,213)	184,367	(892,918)	216,896	(1,496,932)	-	5,937,500
Charged (credited) to comprehensive income	-	(172,656)	-	-	-	15,364	-
At 31 December 2015	189,380,790	3,165,772	8,961,341	265,229	3,403,586	15,364	5,937,500
							211,129,582

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable.

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20 Deferred income taxes, net (Cont'd)

	Consolidated financial statements					
	Depreciation	Provision for employee benefits	Allowance for doubtful accounts	Allowance for decrease in inventory value	Impairment	Deferred revenue
	Baht	Baht	Baht	Baht	Baht	Baht
Deferred tax liabilities, net						
At 1 January 2016	13,489,405	(3,170,157)	(598,849)	(85,909)	-	9,155,233
Charged (credited) to profit or loss	-	496,224	(2,380,498)	(274,329)	(6,777,008)	(8,465,811)
Credited to comprehensive income	-	(245,425)	-	-	-	(245,425)
At 31 December 2016	13,489,405	(2,919,358)	(2,979,347)	(360,238)	(6,777,008)	443,997
At 1 January 2015	13,489,405	(3,013,348)	(675,531)	(85,953)	-	9,714,573
Charged (credited) to profit or loss	-	(106,737)	76,682	44	-	(509,268)
Credited to comprehensive income	-	(50,072)	-	-	-	(50,072)
At 31 December 2015	13,489,405	(3,170,157)	(598,849)	(85,909)	-	9,155,233

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20 Deferred income taxes, net (Cont'd)

	Separate financial statements			Total Baht
	Provision for employee benefits Baht	Allowance for doubtful accounts Baht	Fair value adjustment available-for- sale investments Baht	
Deferred tax assets, net				
At 1 January 2016	2,223,165	8,907,808	15,364	11,146,337
Charged (credited) to profit or loss	47,510	(375,302)	(15,364)	(343,156)
Credited to comprehensive income	(131,740)	-	(3,813)	(135,553)
At 31 December 2016	2,138,935	8,532,506	(3,813)	10,667,628
At 1 January 2015	2,349,719	9,795,460	-	12,145,179
Charged (credited) to profit or loss	44,171	(887,652)	-	(843,481)
Credited to comprehensive income	(170,725)	-	15,364	(155,361)
At 31 December 2015	2,223,165	8,907,808	15,364	11,146,337

21 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade payables - third parties	174,784,164	300,961,185	-	1,564,307
Trade payables - related parties	479,703	1,079,608	2,269,767	136,437,972
Accrued expenses - third parties	25,931,121	43,879,927	6,172,452	6,081,802
Accrued expenses - related parties	-	8,046,427	-	-
Advance received for goods and services - third parties	186,672,219	96,098,523	-	-
Advance received for goods and services - related parties	7,183,701	29,090,375	90,615	180,000
Deferred revenue from Office of the Cane and Sugar Fund	47,286	2,396,286	-	-
Deferred revenue	1,066,992	-	1,066,992	-
Sugarcane payables	15,576,317	-	-	-
Other payables - third parties	189,765,905	28,440,109	2,055,394	-
Other payables - related parties	847,164	2,270,608	97,327	939,751
	602,354,572	512,263,048	11,752,547	145,203,832

22 Borrowings

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current				
Bank overdrafts	-	8,344	-	-
Short-term borrowings from financial institutions	1,710,253,155	1,475,176,244	1,003,953,155	1,358,215,988
Current portion of long-term borrowings:				
- Financial institutions	506,335,246	304,304,422	-	-
- Others	2,336,082	-	-	-
- Hire purchase liabilities	10,105,057	10,566,953	251,802	-
Debentures	850,000,000	-	850,000,000	-
Long-term borrowings from financial institutions	422,159,900	-	-	-
Total current borrowings	3,501,189,440	1,790,055,963	1,854,204,957	1,358,215,988
Non-current				
Long-term borrowings from financial institutions, net	951,188,467	1,390,186,734	-	-
Long-term borrowings from others, net	9,852,559	-	-	-
Hire purchase liabilities, net	15,630,342	14,069,629	777,980	-
Debentures	-	850,000,000	-	850,000,000
Total non-current borrowings	976,671,368	2,254,256,363	777,980	850,000,000
Total borrowings	4,477,860,808	4,044,312,326	1,854,982,937	2,208,215,988

As at 31 December 2016 and 2015, all borrowings are in Thai Baht currency.

As at 31 December 2016, long-term borrowings from financial institutions were secured by pledge of property, plant and equipment at net book value of Baht 1,967.38 million (2015: Baht 2,095.77 million) (Note 18).

Under the long-term borrowing agreements, the Group has to comply with terms and conditions as specified in the agreements, for examples, to maintain shareholding structure ratio, to maintain debt to equity ratio, to maintain debt service coverage ratio, to be listed entity in the Stock Exchange of Thailand by the ultimate parent company, etc.

Short-term borrowings

As at 31 December 2016, short-term borrowings are bills of exchange and promissory notes with financial institutions at Baht 1,710.25 million in the consolidated financial statements and Baht 1,003.95 million in the separate financial statements. These promissory notes bear interest at the rates between 2.70% and 4.53% per annum with 11 month period maturities (2015: Baht 1,475.18 million and Baht 1,358.22 million in the consolidated and separate financial statements, respectively, bear interest at the rates between 3.40% and 5.50% per annum with 3-6 month period maturities).

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22 Borrowings (Cont'd)

Long-term borrowings

All new long-term borrowings are long-term loans of subsidiaries of the Company entered into credit facility agreements with local financial institutions as details below.

- On 9 December 2016, a subsidiary entered into a credit facility agreement with a financial institution of Baht 300 million. The loan bears interest at MLR minus a certain margin per annum. The interest is paid on a monthly basis, where the principal is repaid annually within 5 years at the minimum payable amount of Baht 60 million per year. As at 31 December 2016, the loan has not been drawn down yet.
- On 28 June 2016, the same subsidiary entered into additional credit facility agreement with a financial institution of Baht 400 million. The loan is guaranteed by the ultimate parent company. The loan bears interest at 3.80% per annum. The interest is paid on a monthly basis, where the principal is repaid semi-annually within 3 years at the minimum payable amount of Baht 67 million per year, commencing on 31 January 2017. The remaining principal will be paid in the last year. As at 31 December 2016, the subsidiary has outstanding loan at Baht 400 million.
- On 15 January 2016, a subsidiary entered into additional credit facility agreement with a financial institution of Baht 5.2 million. The loan bears interest at MLR minus a certain margin per annum. The interest is paid on a monthly basis, where the principal is repaid monthly within 7 years, commencing on 31 March 2016. As at 31 December 2016, the subsidiary has outstanding loan at Baht 4.68 million.

Debentures

- As at 31 December 2016, the Group classified debentures amount of Baht 850 million as current liabilities since the debentures will redeemed within 2017.
- On 26 November 2015, the Company issued unsecured and non-subordinated debentures with named holders with a total face value of 600,000 units, with face value of Baht 1,000 each. The debentures bear interest at fixed rate of 4.50% per annum. The interest is payable semi-annually starting from 26 May and 26 November of every year. The debentures will redeemed on 26 November 2017. The redeemed amount is as same as the face value of Baht 600 million.
- On 7 October 2015, the Company issued unsecured and non-subordinated debentures with named holders with a total face value of 250,000 units, with face value of Baht 1,000 each. The debentures bear interest at fixed rate of 4.30% per annum. The interest is payable semi-annually starting from 7 April and 7 October of every year. The debentures will be redeemed on 7 October 2017. The redeemed amount is as same as the face value of Baht 250 million.

The movements of long-term borrowings and debentures (excluded hire-purchase liabilities) for the years ended 31 December 2016 and 2015 are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening balance	2,544,491,156	612,779,565	850,000,000	-
Additions	502,238,640	1,709,277,400	-	-
Issuance of debentures	-	850,000,000	-	850,000,000
Repayments	(304,857,542)	(627,565,809)	-	-
Closing balance	<u>2,741,872,254</u>	<u>2,544,491,156</u>	<u>850,000,000</u>	<u>850,000,000</u>

As at 31 December 2016, the Group classified long-term borrowing from a financial institution amount of Baht 422.16 million as current liabilities in accordance with Thai Accounting Standard due to the breach of terms and conditions as specified in the long-term borrowing agreements to maintain debt to equity ratio and debt service coverage ratio. However, if the lender has agreed to compromise the terms and conditions, the Group will classified the amount as non-current liabilities.

22 Borrowings (Cont'd)

The interest rates on the long-term borrowings and debentures (excluded hire-purchase liabilities) are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Long-term borrowings and debentures				
- At fixed rates	1,262,188,640	850,000,000	850,000,000	850,000,000
- At floating rates	1,479,683,614	1,694,491,156	-	-
Total	2,741,872,254	2,544,491,156	850,000,000	850,000,000

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

	Consolidated financial statements		Separate financial statements	
	2016 %	2015 %	2016 %	2015 %
Bank overdrafts	7.07	7.18	-	-
Short-term borrowings from financial institutions	3.18	4.02	3.18	4.09
Long-term borrowings from financial institutions	5.02	5.37	-	-
Long-term borrowings from others	2.00	-	-	-
Debentures	4.69	4.44	4.69	4.44

Maturity of long-term borrowings and debentures (excluded hire-purchase liabilities) were as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Within 1 year	1,780,831,229	304,304,422	850,000,000	-
Later than 1 year but not later than 5 years	932,095,890	1,989,735,412	-	850,000,000
Later than 5 years	28,945,135	250,451,322	-	-
	2,741,872,254	2,544,491,156	850,000,000	850,000,000

Credit facilities

As at 31 December 2016, the Group had financial credit limit of long-term borrowings from local financial institutions totaling of Baht 2,575.20 million with money market interest rate, which have not been drawn down amounting to Baht 693.86 million.

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22 Borrowings (Cont'd)

Hire-purchase liabilities, net

The minimum lease payments of hire-purchase liabilities as at 31 December 2016 and 2015 is as follows:

	Consolidated financial statements			Separate financial statements		
	2016			2016		
	Within 1 year Baht	2 - 5 years Baht	Total Baht	Within 1 year Baht	2 - 5 years Baht	Total Baht
Hire-purchase liabilities- minimum payments	11,314,708	16,560,342	27,875,050	273,580	808,200	1,081,780
<u>Less</u> Deferred interest on hire purchases	(1,209,651)	(929,999)	(2,139,650)	(21,778)	(30,220)	(51,998)
	<u>10,105,057</u>	<u>15,630,343</u>	<u>25,735,400</u>	<u>251,802</u>	<u>777,980</u>	<u>1,029,782</u>
	Consolidated financial statements			Separate financial statements		
	2015			2015		
	Within 1 year Baht	2 - 5 years Baht	Total Baht	Within 1 year Baht	2 - 5 years Baht	Total Baht
Hire-purchase liabilities- minimum payments	11,793,706	15,143,496	26,937,202	-	-	-
<u>Less</u> Deferred interest on hire purchases	(1,226,753)	(1,073,867)	(2,300,620)	-	-	-
	<u>10,566,953</u>	<u>14,069,629</u>	<u>24,636,582</u>	<u>-</u>	<u>-</u>	<u>-</u>

The carrying amounts of short-term borrowings with fixed interest rate approximate their fair values due to the short-term maturity period. The long-term borrowings from financial institutions with floating interest rates, the fair values approximate their carrying amounts. The fair values of the long-term borrowings from financial institutions and others and debentures with fixed interest rates approximate their carrying amounts because the current interest rates of the similar terms of borrowings as the Group's approximate the interest rates per the agreement. This is a level 2 fair value measurement.

23 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Undued Output VAT	3,653,597	13,136,694	2,663,436	1,647,993
Withholding tax payables	10,543,173	11,761,887	5,677,004	4,479,817
Others	1,553,470	2,009,470	-	-
	<u>15,750,240</u>	<u>26,908,051</u>	<u>8,340,440</u>	<u>6,127,810</u>

24 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Statements of financial position				
Current portion				
Current portion of employee benefit obligations	9,343,087	6,645,665	3,423,149	2,991,329
Non-current portion				
Employee benefit obligations, net	23,237,045	26,147,625	7,930,227	8,978,121
	<u>32,580,132</u>	<u>32,793,290</u>	<u>11,353,376</u>	<u>11,969,450</u>
Statements of comprehensive income				
Retirement benefits	<u>4,086,703</u>	<u>3,369,970</u>	<u>1,351,782</u>	<u>1,165,554</u>

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Beginning balance	32,793,290	30,837,042	11,969,450	11,748,599
Current service costs	2,640,985	2,102,173	829,582	708,918
Interest costs	1,445,718	1,267,797	522,200	456,636
Benefits paid	(2,401,975)	(300,080)	(1,309,150)	(91,080)
Actuarial gain	(1,897,886)	(1,113,642)	(658,706)	(853,623)
Ending balance	<u>32,580,132</u>	<u>32,793,290</u>	<u>11,353,376</u>	<u>11,969,450</u>

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2016 %	2015 %	2016 %	2015 %
Discount rate	3.48%	4.08%	3.48%	4.08%
Future salary increases	3.47%	4.23%	3.47%	4.23%
Resignation rate by span of age	0 - 14%	0 - 20%	0 - 14%	0 - 20%

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24 Employee benefit obligations (Cont'd)

Consolidated financial statements						
Impact on defined benefit obligation						
	Change in assumption		Increase in assumption		Decrease in assumption	
	2016	2015	2016	2015	2016	2015
Discount rate	0.5%	0.5%	Decrease by 4.0%	Decrease by 4.0%	Increase by 4.0%	Increase by 4.3%
Salary growth rate	0.5%	0.5%	Increase by 4.0%	Increase by 4.2%	Decrease by 3.8%	Decrease by 4.0%
Turnover rate	0.5%	0.5%	Decrease by 4.0%	Decrease by 4.3%	Increase by 4.3%	Increase by 4.6%
Separate financial statements						
Impact on defined benefit obligation						
	Change in assumption		Increase in assumption		Decrease in assumption	
	2016	2015	2016	2015	2016	2015
Discount rate	0.5%	0.5%	Decrease by 4.1%	Decrease by 3.9%	Increase by 4.4%	Increase by 4.1%
Salary growth rate	0.5%	0.5%	Increase by 4.1%	Increase by 4.1%	Decrease by 3.8%	Decrease by 3.9%
Turnover rate	0.5%	0.5%	Decrease by 3.8%	Decrease by 4.1%	Increase by 4.1%	Increase by 4.4%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Through its defined retirement benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in Government bond yields will increase plan liabilities.

The weighted average duration of the defined benefit obligation is 15 years. (2015: 24 years).

The Group use the cash flows from operating activities to pay the retirement benefits.

Expected maturity analysis of retirement and other long-term benefits:

Consolidated financial statements				
	Less than a year	Between	More than	Total
	Baht million	1-5 years	5 years	Baht million
		Baht million	Baht million	
Retirement benefits - 2016	10.19	5.40	39.21	54.80
Retirement benefits - 2015	7.36	8.39	39.52	55.27
Separate financial statements				
	Less than a year	Between	More than	Total
	Baht million	1-5 years	5 years	Baht million
		Baht million	Baht million	
Retirement benefits - 2016	3.66	1.19	15.31	20.06
Retirement benefits - 2015	3.20	2.51	14.78	20.49

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25 Dividends

At the Annual General Meeting of Shareholders for 2016 held on 21 April 2016, the shareholders approved to pay dividends for the operation of 2015 at Baht 0.22 per share for 676,750,000 ordinary shares, totaling Baht 148,885,000 Baht. These dividends were paid to the shareholders on 17 May 2016.

At the Annual General Meeting of Shareholders for 2015 held on 22 April 2015, the shareholders approved to pay dividends for the operation of 2014 at Baht 0.20 per share for 676,750,000 ordinary shares, totaling Baht 135,350,000. These dividends were paid to the shareholders on 20 May 2015.

26 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
At 1 January	25,669,147	18,096,416	25,669,147	9,439,650
Appropriation during the year	14,011,720	7,572,731	14,011,720	16,229,497
At 31 December	39,680,867	25,669,147	39,680,867	25,669,147

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.

27 Revenue from sales

On 20 June 2016, the Energy Regulatory Commission announced that the "Feed-in Tariff" (FiT) method for calculating biomass energy sales would replace the "Adder" method. This was retrospectively applied to 11 March 2016, the date on which the Energy Policy and Planning Office resolved the change. As such, Buriram Energy Co., Ltd., a subsidiary, amended its electricity sales and purchase agreement with the Provincial Electricity Authority (PEA) on 20 September 2016 and recognised an additional Baht 32.53 million in revenue for the year ended 31 December 2016.

28 Other income

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Interest income	47,224,855	24,707,039	179,199,606	163,170,588
Dividend income	153,510	153,510	-	96,059,620
Other services income	3,116,872	433,368	79,150,173	111,623,380
Reversal of allowance for doubtful accounts	353,630	5,890,816	353,630	5,890,816
Gain on disposals of property, plant and equipment	-	6,764,172	-	502,489
Compensation for breach of sale contract	1,635,219	14,039,115	-	-
Compensation for insurance claim	35,029,985	-	-	-
Others	7,711,118	11,093,892	495,253	612,965
	95,225,189	63,081,912	259,198,662	377,859,858

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29 Expenses by nature

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Raw materials and supplies used	2,715,056,622	2,363,393,405	1,942,733	227,534
Depreciation and amortisation	217,807,611	160,525,162	1,757,670	2,567,000
Repair and maintenance expense	181,434,150	183,671,854	694,087	912,491
Transportation expenses	141,412,240	149,787,857	-	-
Staff costs	383,000,227	386,056,935	95,372,021	93,515,214
Fees paid to the Office of the Cane and Sugar Fund	363,015,778	319,575,472	385,900	-
Impairment of assets	33,885,040	-	-	-

30 Income tax

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current tax:				
Current tax on profits for the year	22,853,966	44,021,599	10,808,833	18,462,221
Total current tax	22,853,966	44,021,599	10,808,833	18,462,221
Deferred tax:				
Origination and reversal of temporary differences	6,433,499	9,680,145	498,516	843,481
Total deferred tax	6,433,499	9,680,145	498,516	843,481
Total tax expense	29,287,465	53,701,744	11,307,349	19,305,702

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 financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Profit before tax	142,608,352	326,048,908	53,731,966	191,701,675
Tax calculated at a tax rate of 20% (2015: 20%)	28,521,671	65,209,781	10,746,393	38,340,335
Tax effect of:				
Income not subject to tax	(78,120,200)	(33,040,005)	(937,368)	(23,120,135)
Expenses not deductible for tax purpose	78,885,994	21,531,968	1,498,324	4,085,502
Total tax expense	29,287,465	53,701,744	11,307,349	19,305,702

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31 Basic earnings per share

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net profit attributable to shareholders of the Company (Baht)	113,082,955	271,964,585	42,424,617	172,395,973
Weighted average of issued ordinary shares during the year (Shares)	676,750,000	676,750,000	676,750,000	676,750,000
Basic earnings per share (Baht)	0.17	0.40	0.06	0.25

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

32 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.

As at 31 December 2016, the Company is controlled by Buriram Capital Co., Ltd., which owns 50% of the Company's issued shares (2015 : 50%).

The following material transactions were carried out with related parties:

a) Business transactions with related parties

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Related parties : Subsidiaries				
Dividend income	-	-	-	96,059,620
Interest income	-	-	178,615,304	162,834,530
Other income	-	-	116,543,780	111,623,380
Administrative expenses	-	-	2,284,327	1,136,412
Other related parties				
Revenues from sales and services	2,282,717,363	2,068,353,688	-	-
Other income	240,000	240,000	-	-
Cost of sales and services	3,635,692	11,588,989	-	-
Selling expenses	10,611,572	54,423,628	-	-
Administrative expenses	120,370	-	-	-

During the year 2016, a subsidiary has purchased land from directors amounting to Baht 0.81 million. The payments have been made and assets have already transferred.

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32 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade accounts receivables - related parties :				
Subsidiaries	-	-	5,249,872	25,190,755
Other related parties	12,734,049	7,529,658	-	-
	<u>12,734,049</u>	<u>7,529,658</u>	<u>5,249,872</u>	<u>25,190,755</u>
Farmer receivables - related parties :				
Other related parties	<u>2,076,507</u>	<u>2,569,733</u>	-	-
Other receivables - related parties :				
Subsidiaries	-	-	26,869,329	127,633,060
Other related parties	3,456,974	-	-	-
	<u>3,456,974</u>	<u>-</u>	<u>26,869,329</u>	<u>127,633,060</u>
Trade accounts payables - related parties :				
Subsidiaries	-	-	2,269,767	136,437,972
Other related parties	479,703	1,079,608	-	-
	<u>479,703</u>	<u>1,079,608</u>	<u>2,269,767</u>	<u>136,437,972</u>
Other payables - related parties:				
Subsidiaries	-	-	84,700	84,700
Other related parties	8,030,865	39,407,410	103,242	1,035,051
	<u>8,030,865</u>	<u>39,407,410</u>	<u>187,942</u>	<u>1,119,751</u>

c) Long-term borrowings to subsidiaries

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
- Current portion of long-term borrowings	-	-	95,000,000	74,000,000
- Long-term borrowings, net	-	-	2,652,863,752	3,317,568,630
	<u>-</u>	<u>-</u>	<u>2,747,863,752</u>	<u>3,391,568,630</u>

As at 31 December 2016, interest rates for long-term borrowings to related parties were between 5.78% and 5.90% per annum (2015: 5.90% - 6.75% per annum).

32 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

d) Long-term borrowings to farmers

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
- Current portion of long-term borrowings to farmers	999,860	2,000,000	-	-
- Long-term borrowings to farmers	-	999,860	-	-
	<u>999,860</u>	<u>2,999,860</u>	<u>-</u>	<u>-</u>

As at 31 December 2016, interest rates for borrowings to farmers were between 7.02% and 7.15% per annum (2015 : 7.15% - 7.25% per annum).

e) Directors' and management's remuneration

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Short-term benefits	48,437,080	49,850,052	22,272,080	23,007,552
Post-retirement benefits	771,740	881,979	325,750	417,888
	<u>49,208,820</u>	<u>50,732,031</u>	<u>22,597,830</u>	<u>23,425,440</u>

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

f) Foreign currency forward contracts

The Group has entered into foreign currency forward contracts through The Thai Sugar Trading Corporation Ltd. which is a related party, contract value amounting to USD 20.40 million (2015: USD 2.50 million).

33 Fair values of financial assets and liabilities

The carrying amounts of cash and cash equivalents, short-term investments, trade receivables, other short-term receivables, trade payables, other short-term payables, short-term borrowings from financial institutions approximate their fair values due to the short-term maturity period.

The fair values of long-term borrowings to related parties and long-term borrowings from financial institutions with floating interest rates approximate their carrying amounts.

The carrying amounts and fair values of debentures in the consolidated and company financial statements are as follows:

	Carrying amount		Fair value	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Debentures	<u>850,000,000</u>	<u>850,000,000</u>	<u>853,393,097</u>	<u>850,359,565</u>

The fair values of debentures are calculated by applying the latest closing bid price on the statement of financial position date referred from the Thai Bond Market Association. This is a level 2 fair value measurement.

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34 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	7 April 2015	7 April 2023
59-0604-1-00-1-0	25, 26, 28, 31, 34, 35	4 May 2016	Generating electricity from biomass type 7.1	31 December 2016	31 December 2024

In addition, BOI certificate No.2003(1)/2554, 1006(1)/2558 and 59-0604-1-00-1-0 the subsidiaries receive a 50% reduction in the normal income tax rate on the net profit derived from promoted business for a period of 5 years, as from the expiry date in the table above.

35 Commitments and contingent liabilities

(a) Capital commitments

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Property, plant and equipment	19,123,833	235,415,834	-	-
Intangible assets	2,614,760	12,076,452	2,614,760	12,076,452
	<u>21,738,593</u>	<u>247,492,286</u>	<u>2,614,760</u>	<u>12,076,452</u>

(b) Sales commitments

As at 31 December 2016, a subsidiary had commitments relating to the sales agreements but not yet delivered amount of 63,944 metric ton with price range between Baht 15,862 - 20,911 per metric ton and still has no pricing for 61,630 metric ton. The price will be set based on New York Sugar No.11 price or London Sugar No.5 price in the period in which it was delivered. (2015: a subsidiary had commitments relating to the sales agreements but not yet delivered amount of 3,506 metric ton with price range between Baht 13,561 - 15,088 per metric ton).

(c) Commitments under Electricity sale/purchase agreements

As mentioned in Note 27 above, on 20 September 2016, Buriram Energy Co., Ltd., a subsidiary, amended its PEA electricity sales and purchase agreement to the FiT sales calculation method. The agreement was first signed on 11 May 2012 for a five-year term, renewable for another five years. For the amended agreement, the term is the remaining 12 years and five months, and the FiT calculation was retroactively applied to 11 March 2016.

Buriram Power Co., Ltd, the subsidiary company has entered into electricity sale/purchase agreement with the Provincial Electricity Authority (PEA) with a term of 20 years from 7 April 2015. Under the terms of the agreements, the subsidiary and PEA must comply with specified conditions.

35 Commitments and contingent liabilities (Cont'd)

(d) Bank guarantees

As at 31 December 2016, a subsidiary had outstanding letters of guarantee of Baht 4.6 million issued by local financial institutions as collaterals of Provincial Electricity Authority for electrical usage (2015: Baht 4.6 million).

As at 31 December 2016, a subsidiary had no outstanding letter of guarantee issued by a local financial institution as a collateral of another local financial institution for loans (2015: Baht 50 million).

36 Event after the reporting period

At the Company's Board of Directors' meeting on 23 February 2017, it approved to propose the following agenda to the Annual Shareholders' Meeting for the year 2017 for further consideration and approval:

- To approve an increase in the registered capital from amount of Baht 676,750,000 to Baht 812,100,000 by issuing 135,350,000 ordinary shares at a par value of Baht 1 per share totalling Baht 135,350,000 as a stock dividend distribution.
- To approve the dividend payment of the year 2016 in terms of cash and stock dividend at Baht 0.22 per share as follows:
 - a) Cash dividend at Baht 0.02 per share totalling Baht 13,535,000 and,
 - b) Stock dividend of 5 existed ordinary shares for 1 dividend stock which is equivalent to the dividend payment at Baht 0.20 per share totalling 135,350,000 ordinary shares issuance.



20 Management Discussion and Analysis

20.1 Overview of the Operating Performance

According to the year of 2016, the changes of operating performance were as follows;

The areas of sugarcane plantation and the number of contract farming has steadily increased year over year regarding to the policy of the Company to support the sugarcane farmers who plant in the surrounding areas of sugar manufacturing factory in order to generate the increase of crop yield per Rai as well as the good quality of sugarcane and also develop the management system for steady harvest crop yield and profit of farmers in which the Company can increasingly produce the sugar products constantly. Nevertheless, the drought in the previous crop year happened first time in the several years had the terrible impacts on the amount of sugarcane which was not in compliance with the projection of the Company.

The total revenue of the Company in 2014, 2015 and 2016 were equivalent to 3,954.03 Million Baht, 4,295.85 Million Baht and 4,685.53 Million Baht respectively which has steadily increased year over year since the Company has increasingly produced and distributed molasses, fertilizers and electricity.

Nevertheless, approximately 70 - 85% of the total revenue from sugar sales is derived from the revenue from export sugar sales which refers to the global sugar market price therefore the global sugar market price affects to the revenue of the Company. The average price of New York Sugar No.11 in 2012 was 21.57 Cents/Pound which was decreased to 17.47 Cents/Pound and 16.34 Cents/Pound in 2013 and 2014 respectively therefore the revenue from sugar sales was slightly decreased from 2,931.28 Million Baht in 2013 to 3,072.72 Million Baht in 2014. Additionally, although the average price of New York Sugar No.11 in 2015 was decreased by 14.37 Cents/Pound, the sale volume was increased therefore the revenue from sugar sales was raised to 3,072.30 Million Baht. Consequently, the Company produced and distributed sugar, increased from 189,000 tons in 2013 to 201,000 tons, 226,000 tons and 232,000 tons in 2014, 2015 and 2016 respectively. However, the changes of average raw sugar prices affect to the revenue more than sale volume.

According to the business operation of byproducts, the subsidiary of the Company, Buriram Energy Company Limited or BEC which is the bagasse-based biomass power plant, initially generated and distributed the commercial electricity to Provincial Electricity Authority ("PEA") in May 2012. Furthermore, one of the subsidiaries of the Company which is

Key Brand Fertilizer Company Limited or KBF started the operation of organic fertilizer manufacturer and distributor in November 2012 which can create the value-added products from byproducts and also generate more profits and more positive cash flow from operating activities constantly. Another subsidiary of the Company which is Buriram Power Company Limited or BPC which is the bagasse-based biomass power plant, initially generated and distributed the commercial electricity to PEA in April 2015 therefore the Company was able to completely pay long-term loans as scheduled in 2014 and 2015 and took the rest of loan cash for further investment in order to enhance the long term competitiveness in the future.

The net profits of the Company in 2013, 2014 and 2015 were equivalent to 236.31 Million Baht, 272.34 Million Baht and 113.32 Million Baht respectively. In 2016, although the global average sugar price was dropped, the net profit had been increased which was derived from the revenue of the second biomass power plant of the Company or BPC, initially generated and distributed the electricity in 2015. On the other hand, the net profit of 2016 was decreased since the cost of raw materials and the production cost were raised which was the effect from the drought.

The total assets of year ended on December 2013, 2014 and 2015 were equivalent to 5,385.54 Million Baht, 6,764.47 Million Baht and 7,226.85 respectively. The increase of total assets was mostly derived from the increase of sugarcane advance payment loan for sugarcane farmers in accordance with the increase of production capacity, the increase of investment on lands, buildings and equipment for the expansion of production capacity, the investment on the ongoing products development such as the electricity generation from bagasse and the fertilizer production from filter cake. Hence, the account receivable of year ended on December 2015 and 2016 decreased to 227.94 Million Baht and 214.99 Million Baht respectively, compared to account receivable of year ended 2014 which was equivalent to 302.87 Million Baht, since the distribution for export sugar was operated and recognized in the end of 2014.

The total liabilities of year ended on December 2013, 2014 and 2015 were equivalent to 3,397.14 Million Baht, 4,638.30 Million Baht and 5,134.08 Million baht respectively. The increase of total liabilities was mostly derived from the increase of short-term loans from financial institutions according to the increasing number of sugarcane farmers as well as the investment in sugar manufacturing factory and power plant therefore the Company had to raise the short-term loans in order to pay the sugarcane advance payment loan which was increased accordingly.

The total shareholders' equity of year ended on December 2013, 2014 and 2015 were equivalent to 1,988.40 Million Baht, 2,126.17 Million Baht and 2,092.77 Million Baht respectively. The increase of total shareholders' equity was mostly derived from the increasing proportion of shareholders constantly according to the satisfactory of operating performance and capital increase, particularly the initial public offering in 2013.

According to the year of 2016, the new financial reporting standards have been effective. However, the new financial reporting standards as mentioned have no any effects on financial statement of the Company significantly.

20.2 The Analysis of Operating Results

A. Revenue

	Audited Financial Statement of Year Ended					
	31 Dec 2014		31 Dec 2015		31 Dec 2016	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
1. Revenue from Goods Sold and Services Rendered						
1.1 Revenue from Sugar and Molasses Sales						
1.1.1 Sugar						
Domestic Sales						
Brown Sugar	908.37	22.97	966.06	22.49	1,162.02	24.80
Total Revenue from Domestic Sales	908.37	22.97	966.06	22.49	1,162.02	24.80
Export Sales						
Brown Sugar	-	-	-	-	53.29	1.14
Raw Sugar	2,129.35	53.85	2,094.33	48.75	2,230.29	47.60
Total Revenue from Export Sales	2,129.35	53.85	2,094.33	48.75	2,230.29	47.60
Total Revenue from Sugar Sales	3,037.72	76.82	3,072.30	71.51	3,443.25	73.49
1.1.2 Molasses						
Domestic Sales	290.32	7.34	369.99	8.61	283.60	6.05
Total Revenue from Molasses Sales	290.32	7.34	358.09	8.33	283.60	6.05
Total Revenue from Sugar and Molasses Sales	3,328.04	84.16	3,430.39	79.85	3,729.19	79.59
1.2.1 Revenue from Electricity Sales	170.51	4.31	279.00	6.49	383.81	8.19
1.2.2 Revenue from Fertilizer Sales	285.04	7.20	378.30	8.81	328.83	7.02
1.2.3 Revenue from Other Goods Sold and Services Rendered	136.73	3.46	138.96	3.23	137.38	2.93
Total Revenue from Other Related Businesses	592.28	14.97	796.26	18.53	850.02	18.14
Total Revenue from Goods Sold and Services Rendered	3,920.32	99.15	4,226.65	98.39	4,579.21	97.73
2. Other Revenues	23.92	0.60	63.08	1.47	95.22	2.03
3. Profit/Loss from Exchange Rate	9.79	0.25	6.12	0.14	11.09	0.24
Net Total Revenues	3,954.03	100	4,295.85	100	4,685.52	100

The Revenue from Sugar Sales and Service

According to the fiscal year ended on 31 December 2014, 2015 and 2016, the Company generated the revenue from sugar sales and service in amount of 3,920.32 Million Baht, 4,226.65 Million Baht and 4,579.21 Million Baht respectively. Additionally, the revenue from sugar sales and service in 2015 and 2016 were increased, raised by 306.33 Million Baht or equivalent to 7.81% and 352.56 Million Baht or equivalent to 8.34% respectively which was derived from the increasing amount of productions on molasses, fertilizers and electricity.

1.1 The Revenue from Sugar and Molasses Sales

The revenue from sugar and molasses sales is the main income of the Company which is equivalent to 80-85% of total revenue.

The Average Price and Quantity of Sugar and Molasses Distributed by the Company

	Audited Financial Statement of Year Ended		
	31 Dec 2014	31 Dec 2015	31 Dec 2016
Average price per ton	Baht per Ton	Baht per Ton	Baht per Ton
Brown Sugar for Domestic Sales	18,820	18,890	19,084
Brown Sugar for Export	-	-	14,737
Raw Sugar for Export	13,922	12,600	13,951
Molasses	4,013	4,113	3,898
	Audited Financial Statement of Year Ended		
	31 Dec 2014	31 Dec 2015	31 Dec 2016
Sale Quantity	Kilotons	Kilotons	Kilotons
Brown Sugar for Domestic Sales	48.26	50.92	60.82
Brown Sugar for Export	-	-	3.62
Raw Sugar for Export	152.95	167.50	171.10
Molasses	72.36	87.06	72.75

1.1.1 The Revenue from Sugar Sales

According to the year ended on 31 December 2015, the Company generated the revenue from sugar sales in amount of 3,060.39 Million Baht, compared to the year ended on 31 December 2014, which was raised by 22.67 Million Baht or equivalent to 0.75%. The increase of sugar sales revenue was derived from the increase of sale quantity although the average selling price of the Company in 2016 was dropped compared to the same period of 2015.

Furthermore, According to the year ended on 31 December 2016, the Company generated the revenue from sugar sales in amount of 3,445.60 Million Baht, compared to the year ended on 31 December 2015, which was raised by 385.21 Million Baht or equivalent to 12.59%.

The increase of sugar sales revenue was derived from the increase of sale quantity and the increase of average price compared to the same period of 2015.

1.1.2 The Revenue from Molasses Sales

According to the year ended on 31 December 2015, the Company generated the revenue from molasses sales in amount of 358.09 Million Baht, compared to the year ended on 31 December 2014, which was raised by 67.77 Million Baht or equivalent to 23.34%. The increase of molasses sales revenue was derived from the selling price per quantity was raised by 14,700 tons regarding to the amount of sugarcanes of the Company was increased.

According to the year ended on 31 December 2016, the Company generated the revenue from molasses sales in amount of 283.60 Million Baht, compared to the year ended on 31 December 2015, which was dropped by 86.39 Million Baht or equivalent to 23.35%. The decrease of molasses sales revenue was derived from the selling price per unit was dropped by 215 Baht per ton and the molasses damaged from the storing by 13,000 tons.

1.2 The Revenue from Other Related Business

1.2.1 The Revenue from Electricity Sales

According to the year ended on 31 December 2015, the Company generated the revenue from electricity sales in amount of 279.00 Million Baht, compared to the year ended on 31 December 2014, which was raised by 96.47 Million Baht or equivalent to 52.85%. The increase of electricity sales revenue was derived from the second power plant of the Company had initially operated and officially distributed the electricity to PEA in April 2016.

According to the year ended on 31 December 2017, the Company generated the revenue from electricity sales in amount of 383.81 Million Baht, compared to the year ended on 31 December 2015, which was raised by 104.81 Million Baht or equivalent to 37.56 %. The increase of electricity sales revenue was derived from the second power plant of the Company distributed the electricity to PEA for whole year of 2016.

1.2.2 The Revenue from Fertilizer Sales

The revenue from fertilizer sales of the Company is one of the business strategies by supporting sugarcane farmers to plant sugarcanes and selling them to the Company in order to minimize risk from insufficiency of raw materials.

In 2014, 2015 and 2016, the Company generated the revenue from fertilizer sales in amount of 285.04 Million Baht, 378.30 Million Baht and 328.83 Million Baht respectively. In the period of 2015, the revenue from fertilizer sales increased according to the increase number of farmers who participated in the sugarcane planting support project of the Company. Nevertheless, the revenue from fertilizer sales in 2016 decreased which was derived from the increase of organic fertilizers production volume that generated lower returns than chemical fertilizers.

1.2.3 The Revenue from Other Sales and Services

The revenue from other sales and services mainly consists of byproduct sales from sugarcane planting such as bagasse and agricultural equipment needed such as Diesel fuel, pesticides including cutting sugarcane service fee.

1.3 Other Revenues

The other revenues of the Company for year ended on December 2014, 2015 and 2016 were equivalent to 23.92 Million Baht, 63.08 Million Baht and 95.22 Million Baht respectively. The other revenues of the Company are mainly from profits on disposal of assets, bad debt recovery and interest received. According to year ended on 2015, other revenues were raised by 39.34 Million Baht which was derived from the Company had received the interest received from sugarcane advance payment loans in amount of 20 Million Baht and compensation as contracted in amount of 14 Million Baht. Furthermore, according to year ended on 2016, other revenues were raised by 31.97 Million Baht which was the compensation from insurance Company.

B. Cost of Goods Sold and Services Rendered

1. The Business of Sugar and Molasses Manufacturer and Distributor

	Audited Financial Statement of Year Ended					
	31 Dec 2014		31 Dec 2015		31 Dec 2016	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Raw Material (Sugarcane)	1,981.38	75.18	1,913.92	71.89	2,271.82	72.43
Packaging Cost	43.36	1.64	43.91	1.65	36.67	1.16
Direct Labor Cost	106.12	4.02	139.92	5.25	130.56	4.16
Manufacturing Overhead	227.37	8.62	270.74	10.17	349.99	11.15
Cash Remittance to Office of Cane and Sugar Fund	277.12	10.52	293.96	11.04	347.99	11.10
Total Production Cost sugar and Molasses	2,635.35	100.00	2,662.05	100.00	3,137.03	100.00

According to the fiscal year of 2014, 2015 and 2016, the material cost was equivalent to 75.18%, 71.89% and 72.43% respectively. However, the raw material cost had rarely changed since the sugar price had slightly adjusted therefore the material cost was quite steady in compliance with the 70:30 Profit Sharing System between sugar manufacturing factory and sugarcane farmers.

2. Other Related Businesses

The cost of sales from other related businesses is mainly included the cost of electricity generation and distribution, the cost of fertilizer production and distribution as well as other costs of sale.

The main cost of electricity generation and distribution is namely bagasse and cane trash and the depreciation of buildings and machines in electricity generation process.

The cost of fertilizer production and distribution is divided into 2 parts which are the commerce of chemical fertilizers and organic-chemical fertilizers. The cost of fertilizer production is included the filter cake, the depreciation of buildings and machines as well as the plant nutrient chemicals for combination of quality organic fertilizers.

Other costs of sales mainly consist of the cost of agricultural materials, for instance, pesticides, sugarcane variety which are traded to support the farmers, including Diesel fuel for agricultural machines as well.

	Audited Financial Statement of Year Ended					
	31 Dec 2014		31 Dec 2015		31 Dec 2016	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Cost of Electricity Sales						
Raw material	31.85	35.78	91.70	47.03	132.73	52.34
Direct Labor Cost	12.66	14.22	26.19	13.43	22.34	8.82
Manufacturing Overhead	44.50	49.99	77.10	39.54	98.48	38.84
Total Cost of Electricity Sales	89.01	100.00	194.99	100	253.55	100
Cost of Fertilizer Sales						
Raw material	8.50	3.53	13.25	3.96	11.45	3.91
Direct Labor Cost	18.87	7.83	35.13	10.51	31.45	10.83
Manufacturing Overhead	87.44	36.29	55.90	16.72	35.39	12.08
Trading Goods	-	-	-	-	-	-
Other Costs	240.98	100.00	334.19	100.00	293.04	100.00
Total Cost of Fertilizer Sales	8.50	3.53	13.25	3.96	11.45	3.91

	Audited Financial Statement of Year Ended					
	31 Dec 2014		31 Dec 2015		31 Dec 2016	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Other Costs						
Trading goods	97.12	100.00	97.33	74.63	129.51	95.91
Other Costs	27.22	21.89	33.08	25.37	5.51	4.09
Total Others Costs	124.34	100.00	130.41	100.00	135.02	100.00

C. Gross Profit

According to the year ended on 31 December 2014 and 2015, total gross profit of the Company was equivalent to 830.63 Million Baht or 21.19% and 905.00 Million or 21.14% Baht respectively which slightly decreased year over year. Although the global sugar market price was increasingly dropped, the production volume of sugar sales had been increased steadily, in addition, the operation of second power plant was operated for sales in April 2015 therefore generated the total gross profit in 2014 and 2015 was slightly different.

The gross profit in year ended of 2016 was equivalent to 760.57 Million Baht or 16.61% of gross profit margin which was decreased since the global sugar market price was raised therefore it affected to the price increase of the raw material.

Gross Profit Margin Classified by the Revenue of Each Business

(Unit: Percentage)

	Audited Financial Statement of Year Ended		
	31 Dec 2014	31 Dec 2015	31 Dec 2016
Sugar and Molasses Manufacturer and Distributor	20.81	15.87	15.82
Electricity Producer and Distributor	49.45	30.06	33.94
Fertilizer Producer and Distributor	15.45	11.66	10.88
Other Sales and Services	0.29	6.15	3.37

1. The Business of Sugar and Molasses Manufacturer and Distributor

Gross profit margin on the business of sugar and molasses manufacturer and distributor was derived from 3 main factors, namely: 1) Global sugar market price, 2) the average sale price differences of Quota B and C and 3) The amount of sugar per ton.

The cost of sugar production can be classified into 2 parts which are the cost of raw materials and the cost of milling process. The cost of raw materials has been changed according to 70:30 Profit Sharing System which describes that if the sugar price is increased, the sugarcane will be increased as well. On the other hand, if the sugar price is decreased, the sugarcane

will be decreased as well. Nonetheless, the cost of milling process has not been changed regarding to the changes of global sugar market price therefore if the global sugar market price is raised, the gross profit margin will be increased. In contrary, if the global sugar market price is dropped, the gross profit margin will be decreased as well.

According to the 70:30 Profit Sharing System, the average sugar price of Quota B is the variable to determine the price of raw materials to calculate the revenue of export sugar sale in Thailand and deduct by the expense of Million processes respectively in order to allocate the profit to sugarcane farmers by 70% and sugar manufacturing factory by 30%. In addition, 70% of allocation to farmers will be determined as floor price of the raw material which generates the standard raw material price per unit for whole industry. However, approximately 85% of export sugar is Quota C and 15% of export sugar is Quota B therefore any sugar distributor who can sell Quota C, at higher price than the average price of Quota B, will have higher gross profit margin. Nevertheless, the sale price difference of Quota B and C will not be steady depending on the world situations and the decisions of distributors on sugar sales.

Regarding the sugar production volume per ton is not certain every year depending on the quality of raw materials, however, the other costs of milling processes has not been changed according to the quality of raw materials. Therefore, if the Company can increase the crop yield per ton, the revenue and gross profit margin will be increased as well.

Gross profit margin of sugar business in year ended of 2015 and 2016 is equivalent to 15.87% and 15.82% respectively which was dropped compared to year ended of 2014. It was derived from the export sugar sale volume of the Company was equivalent to 70-80% of the total sugar sales volume. Meanwhile, the global sugar market price in 2015 was dropped compared to 2014 which affected to the decrease of average sale price of the Company and also affected to the decrease of gross profit as well. Although the sugar price was raised in the second half of 2017, the sugar export was mostly distributed in the first half of 2017.

2. Other Related Business

Gross profit ratio for the business of fertilizer production and distribution has been changed uncertainly since the business operation is included production, distribution and chemical fertilizer trading. The production of fertilizer for sales is determined the price by using cost plus method, meanwhile, the fertilizer trading for sales is purchased as the whole sale and sell to farmers gradually by pricing as to the fertilizer market price in that time. Therefore,

the Company may sell the products below cost which generate the unsteady gross profit margin of the fertilizer business. Nevertheless, the business of fertilizer production and distribution is operated for the main purpose of supporting the farmers who signed the contract farming in order to increase the crop yield as well as the quality which affects to the better quality and higher crop yield of sugar and molasses business including the byproducts business, for example, the efficiency increase of electricity production.

D. Selling Expense

	Audited Financial Statement of Year Ended					
	31 Dec 2014		31 Dec 2015		31 Dec 2016	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Logistics Transportation	64.04	39.95	45.34	25.80	77.12	45.19
Export	63.49	39.60	102.33	58.23	61.33	35.94
Cargo Storage	17.43	10.89	13.17	7.50	16.23	9.51
Other Expenses	15.33	9.56	14.89	8.47	15.95	9.34
Total	160.29	100.00	175.73	100.00	170.63	100.00

The selling expense is mainly from logistics and export. The factor affected to logistics transportation expense is transportation rate per trip and sugar sale volume each year. According to year ended of 2015, the export expense was raised in compliance with the increase of sugar export volume.

E. Administrative Expense

	Audited Financial Statement of Year Ended					
	31 Dec 2014		31 Dec 2015		31 Dec 2016	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Employee Compensation	131.08	43.60	159.40	45.94	162.81	43.19
Professional and Consultancy Fee	14.89	4.95	31.64	9.12	27.23	7.22
Transportation	18.81	6.25	18.59	5.36	15.29	4.06
Maintenance	8.51	2.83	7.62	2.20	6.40	1.70
Supplies Expense	4.41	1.46	8.01	2.31	12.25	3.25
Asset Depreciation	16.96	5.64	22.68	6.54	23.96	6.35
R&D	5.69	1.89	12.04	3.47	2.39	0.67
Charity Expense	4.81	1.60	7.94	2.29	6.31	1.67
Allowance for Doubtful Accounts	1.04	0.34	2.62	0.76	14.02	3.72
Allowance for Impairment Losses	-	-	-	-	42.66	11.32

	Audited Financial Statement of Year Ended					
	31 Dec 2014		31 Dec 2015		31 Dec 2016	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Pension Fund	17.67	5.87	3.37	0.97	4.08	1.08
Sugarcane and Sugar Supportive Fund	10.74	3.57	13.79	3.97	2.41	0.64
Amortization	7.98	2.65	-	0.00	2.91	0.77
Electricity	10.32	3.43	3.64	1.05	2.51	0.07
Others	47.76	15.89	55.55	16.01	51.73	13.72
Total	300.59	100.00	346.94	100.00	376.96	100.00

Administrative expense mainly consists of employee compensation and professional and consultancy fee.

In 2015, the administrative expense was increased by 46.35 Million Baht or equivalent to 15.42% compared to 2014 which was derived from these following factors.

- 1) Employee compensation was increased to 159.40 Million Baht or 21.60% since the base salary was increased in 2014 and employment for full-time employees was increased by 32 persons.
- 2) Professional and consultancy fee was raised by 31.64 Million Baht or equivalent to 112.49% which is the succession fee of each project in order to register in Stock Exchange of Thailand. Additionally, the Company employed consultants in every project for future investment.

According to year ended of 2016, the administrative expense was raised by 30.02 Million Baht or 8.65% compared to 2015 which was derived from these following factors.

- 1) Provision for asset impairment on the events of molasses tank damaged about 44 Million Baht in which the Company is currently claiming the compensation from the insurance company.
- 2) The allowance for doubtful accounts for account receivables who accrued for over the period approximately 14 Million Baht in which the Company is currently in progress.
- 3) The decrease of sugarcanes and sugars supportive fund approximately 10 Million Baht including the decrease of other expenses which is derived from the expense control and management.

Financial Cost

According to the financial statement year ended on 31 December 2014, 2015 and 2016, the financial cost was equivalent to 117.02 Million Baht, 125.49 Million Baht and 176.70 Million Baht respectively. The increase of financial cost was derived from that the Company took on short-time loans increasingly in order to increase sugar production volume and also provide greater amount of advance credits to sugarcane farmers in accordance with the increase of planting areas.

F. Earnings before Taxes

According to the financial statement year ended on 31 December 2014, 2015 and 2016, the earnings before taxes were equivalent to 286.46 Million Baht, 326.05 Million Baht and 142.61 Million Baht respectively. The increase or decrease of earnings before taxes each year is derived from the increase or decrease of gross profit in each year which was equivalent to 830.63 Million Baht in 2014 and increased by 905.00 Million Baht in 2015 and dropped by 760.57 Million Baht in 2016.

G. Corporate Income Tax

According to the financial statement year ended on 31 December 2014 and 2015, the corporate income tax of the Company was equivalent to 50.15 Million Baht and 53.70 Million Baht respectively which was slightly increased year on year. Regarding to the increasing profit of operating performance on sugar business and the tax benefits on the business of electricity producer, the corporate income tax of the Company was generally decreased.

Furthermore, according to the financial statement year ended on 31 December 2016, the corporate income tax of the Company was equivalent to 29.28 Million Baht which was decreased compared to the same period in previous year. Regarding to the increasing profit of operating performance on sugar business and the tax benefits on the business of electricity producer, the corporate income tax of the Company was generally decreased.

H. Net Profit

According to the financial statement year ended on 31 December 2014, 2015 and 2016, the net profit was equivalent to 236.31 Million Baht, 272.34 Million Baht and 113.32 Million Baht respectively. In 2015, the increase of net profit was derived from the increase production and sale volume of sugar, molasses and byproduct. Although the global sugar market price was dropped, the administrative expense was increased regarding to the increase of compensation for

employees. However, the net profit in 2016 was dropped which was derived from the rising cost of sugarcanes (raw material) in compliance with the increase of global sugar market price.

20.3 Financial Position Analysis

A. Assets

The operation of sugar business is quite different from other businesses since it complies with the planting and harvesting season of sugarcanes which start planting in October and harvesting in the period of November to April in the following year. The sugar manufacturing factory purchases sugarcanes and produces sugar only in the harvesting season which generates the extra list of assets excluded in other business which is sugarcane farmer account receivables or the advance credit payment for farmers in order to support sugarcane farming in many ways such as fertilizers, agricultural equipment and machines. In the harvesting season, farmers will deliver the sugarcanes to the factory; however, the farmers will receive the total income after deducted by the amount of advance credits. Nevertheless, the advance credits will be paid to farmers since the beginning of the planting season.

The assets of the Company as of year ended on 31 December 2014, 2015 and 2016 were equivalent to 5,385.54 Million Baht, 6,764.47 Million Baht and 7,226.86 Million Baht respectively.

Nonetheless, the total assets of the Company as of 31 December 2016 were raised by 1,841.32 Million Baht or 34.17% compared to 31 December 2014. The significant changes are that the fixed assets were increased since the production capacity was adjusted from 17,000 ton per day to 24,000 tons per day and the investment on biomass power plant of Buriram Energy Company Limited (BEC), Buriram Power Company Limited (BPC) and Buriram Power Plus Company Limited (BPP).

1. Current Assets

The current assets of the Company as of year ended on 31 December 2014, 2015 and 2016 were equivalent to 1,913.14 Million Baht, 1,997.05 Million Baht and 2,096.05 Million Baht respectively. The main elements of current assets are sugarcane farmer account receivable and inventory. In addition to the year of 2014 – 2016, the current assets were raised gradually which was derived from that the sugarcane farmer account receivables were increased since the advance credits for farmers were increased as well in compliance with the increase of supportive planting areas. Furthermore, in the year ended of 2016, the sugarcane farmer account

receivables were increased which was derived from the increase of supportive planting areas and the increase of inventories from the rising production volume after investment expansion of sugar manufacturing.

Account Receivable

The account receivables of the Company were mainly from the business of sugar manufacturer and distributor as well as the related business, for example, the electricity sales, the customers of the Company were generally the major international distributors and state enterprises which have the excellent financial position, however, the Company always audits the changes of their financial position in order to prevent the problems from bad debts.

Average collection period of the Company for year ended of 2014 and 2015 was 7 days in compliance with credit terms for the customers and determined the payment period of 3-7 days for domestic customers, 3-15 days for international customers and 30 days for the business of electricity producer and distributors. If the average collection period is short, the value of account receivable in the end of period will depend on revenue from sales before the end of period. Therefore, the account receivables for year ended on 31 December 2014 were equivalent to 293.03 Million Baht which was higher than year ended of 2015 and 2016 since the sugar was sold before the end of period.

Sugarcane Farmer Receivables (Net Total)

Regarding to the business of sugar manufacturer and distributor, the Company provides the advance credits for farmers in order to support sugarcane farming. For year ended on 31 December 2014, 2015 and 2016, the sugarcane farmer receivables were equivalent to 770.79 Million Baht, 908.50 Million Baht and 1,368.86 Million Baht respectively. The sugarcane farmer receivables for year ended on 31 December 2016 were increased which was derive from the factory delayed its starting of sugar production compared to the previous year. In the production period, the farmers had delivered the sugarcanes and sold to the Company, in the same time, they also paid for the advance credits which generated the decrease of sugarcane farmer receivables. Furthermore, the increase of planting areas and the advance credits withdrawal of farmers had raised the amount of receivables.

Sugarcane Farmers Receivables of the Company Classified by the Aged Overdue Receivables

	Audited Financial Statement of Year Ended					
	31 Dec 2014		31 Dec 2015		31 Dec 2016	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Production Season of 2017/2018	-	-	-	-	330.48	30.88
Production Season of 2016/2017	-	-	121.47	15.53	585.51	54.73
Production Season of 2015/2016	44.46	5.05	526.84	67.31	39.87	3.73
Production Season of 2014/2015	703.05	79.84	40.88	5.23	24.29	2.28
Production Season of 2013/2014	6.87	0.78	4.49	0.57	3.33	0.32
Production Season of 2012/2013	3.20	0.36	1.34	0.17	1.22	0.11
Production Season of 2011/2012	1.24	0.14	1.09	0.13	0.99	0.07
Before Production Season of 2011/2012	121.70	13.83	86.50	11.06	84.23	7.88
Total Sugarcane Farmer Receivables	880.52	100.00	782.61	100.00	1,069.92	100.00
Allowance for Doubtful Accounts	(109.73)	(12.46)	(80.71)	(10.31)	(79.86)	(7.46)
Net Total Sugarcane Farmer Receivables	770.79	87.54	701.90	89.69	990.06	92.54

The Company has the strict policies for advance credit to farmers and also consider many factors experienced by the debt collection of the Company in the past, for example, the ability to repay, the planting areas, crop yield per Rai including the field survey by the employees of the Company to make sure the receivables can deliver the sugarcanes as the debt repayment. Furthermore, the Company will establish the allowance for doubtful accounts after considering that any of farmers cannot repay loans. For instance, the outstanding debts for 2 previous crop years or the future income of receivables that the Company projected shown that farmers cannot afford or generate the profits enough to repay loans within 5 years or the farmers quitted planting or any other relevant matters shown the inability to repay. Therefore, the Company established the allowance for doubtful accounts in 2013 by 20.33 Million Baht which included all receivables. For the year of 2014 to 2016, the Company did not establish the allowance for doubtful accounts since the farmers repaid loans generally.

Inventory

	Audited Financial Statement of Year Ended					
	31 Dec 2014		31 Dec 2015		31 Dec 2016	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Finished Goods	447.22	73.17	574.32	80.10	471.55	80.23
Byproducts	13.18	2.16	-	0.00	-	0.00
Trading Goods	109.17	17.86	63.48	8.85	38.47	6.55
Inventory - Warehouse	13.57	2.22	37.20	5.20	22.55	3.84
Goods in Progress	10.85	1.78	4.67	0.65	8.83	1.50
Factory Supplies	17.22	2.82	37.29	5.20	46.31	7.88
Total Inventory	611.21	100.00	716.96	100.00	587.73	100.00
Allowance for Diminution in Value	(0.67)	(0.11)	(1.76)	(0.25)	(6.11)	(1.04)
Net Total Inventory	610.54	99.89	715.20	99.75	581.63	98.96

The finished goods primarily consist of sugar and some of byproducts which are molasses, sugarcane trash and filter cake, however, the Company stores these finished goods as the fuel materials to generate the electricity and organic fertilizers respectively. The trading goods consist of fuel for the agricultural machines, chemical fertilizers, pesticides in order to sell to farmers in term of advance credits

According to year ended of 2015, the finished goods of the Company were equivalent to 574.32 Million Baht, raised by 127.10 Million Baht or 28.42% compared to 2014 which was derived from the increase of sugar volume from the increase of cane crushing.

According to year ended of 2016, the finished goods of the Company were equivalent to 471.55 Million Baht, dropped by 102.77 Million Baht or 17.89% compared to 2015 which was derived from the delay of sugarcanes received by the Company therefore the amount of sugar were decreased accordingly.

2. Non-Current Assets

Non-current assets of the Company for year ended on 31 December 2014, 2015 and 2016 were equivalent to 3,472.40 Million Baht or 87.89%, 4,767.43 Million Baht or 89.45% and 5,130.81 Million Baht or 91.30% respectively which were mainly lands, building and equipment.

Land, Building and Equipment

According to year ended of 2016, lands, buildings and equipment were increased derived from that the Company purchased machines in order to increase the production capacity from 17,000 tons per day to 24,000 tons per day. The purchase of lands was for the construction of new sugar manufacturing factory which is Chamni Sugar Factory Company Limited (CSF). Additionally, the purchase of machines was for the power plant construction which is Buriram Power Plus Company Limited.

B. Source of Funding**Capital Structure**

According to financial statement for year ended of 2014, 2015 and 2016, shareholders' equity was equivalent to 1,988.40 Million Baht, 2,126.17 Million Baht and 2,092.77 Million Baht respectively. The operating performance of the Company generated the increase of debt to equity ratio by 2.18 times for year ended of 2015 and 2.45 times for year ended of 2016 which was derived from the issue of debentures in order to invest in the expansion of sugar production capacity and related projects including the steady increase of supportive funds to farmers.

C. Liabilities

The total liabilities for year ended on 31 December 2014, 2015 and 2016 were equivalent to 3,397.14 Million Baht 4,638.30 Million Baht and 5,134.09 Million Baht respectively which was mainly derived from trade account payables and other payables, short-term loans and long-term loans from financial institutions.

According to the financial statement for year ended on 31 December 2014, 2015 and 2016, the trade account payables of the Company were equivalent to 433.66 Million Baht, 512.26 Million Baht and 602.35 Million Baht respectively which were mainly the sugar raw material payables. The changes of the sugar raw material payables depend on the increasing or decreasing quantity of sugarcane purchased by the Company before the end of period in compliance with the quantity of sugarcane harvested and delivered to the Company.

According to the financial statement for year ended on 31 December 2014, 2015 and 2016, the short-term loans from financial institution were equivalent to 2,165.09 Million Baht, 1,475.17 Million Baht and 1,710.25 Million Baht respectively. The short-term loans from financial institution were increased derived from the farmers who join the agricultural supportive project

had increased therefore the Company had to provide the supportive fund for sugarcane farming by taking on loans for this matter including the production of finished goods for sales as well.

According to the financial statement for year ended on 31 December 2014, 2015 and 2016, the long-term loans from financial institution were equivalent to 612.78 Million Baht, 1,694.49 Million Baht and 1,891.67 Million Baht respectively. The details of loans as of 31 December 2016 are as follows.

Loan No.	Loan Limit (Million Baht)	Interest Rate	Outstanding Loan Balance (Million Baht)
1	460.00	MLR-1.25	388.00
2	300.00	MLR-2.375	225.00
3	365.00	MLR-2.50	304.10
4	270.00	MLR-1.00	161.96
5	440.00	MLR-1.00	377.10
6	30.00	MLR	17.67
7	5.00	MLR-1.00	4.68
8	300.00	MLR-2.375	-

D. Shareholders' equity

Shareholders' equity for the year ended on 31 December 2014, 2015 and 2016 were equivalent to 1,988.17 Million Baht, 2,125.58 Million Baht and 2,092.77 Million Baht respectively. The figures have increased because of the operating performance of the Company and dividend payouts.

E. Liquidity

(Unit : Million Baht)

Details	Audited Financial Statement of Year Ended		
	31 Dec 2014	31 Dec 2015	31 Dec 2016
Cash flow before changes in asset and operational liability	504.22	556.59	550.04
Net cash flow from operating activities	43.09	77.33	397.43
Net cash flow from investing activities	(1,354.81)	(1,271.72)	(798.19)
Net cash flow from financing activities	1,625.82	1,059.78	272.18
Net increase (decrease) in cash	314.09	(134.61)	(128.58)

Net Cash Flow from Operating Activities

Cash flow before changes in asset and operational liability for year ended 31 December 2014 was higher than the year before due to the Company's increasing profit in commercial

electricity distribution while the net cash flow from operating activities was lower than the year before because the payment for sugar sold has not been processed for the Company before the end of accounting period.

Cash flow before changes in asset and operational liability and net cash flow from operating activities for the year ended 31 December 2015 were higher than the year before due to an increase in the Company's profit from the second commercial electricity distribution and fertilizer production.

Cash flow before changes in asset and operational liability and net cash flow from operating activities for the year ended 31 December 2016 was slightly lower than the previous year as a result of increased material cost.

Net Cash Flow from Investing Activities

In 2013, the Company invested approximately 747 Million Baht to boost the capacity of sugar production from 14,000 to 17,000 tons per day. The fund was also used for setting up more fertilizer manufactories and the second 9.9 megawatt biomass power plant. In 2014, the Company invested approximately 1,300 Million Baht on those projects of 2013. The investment also used for increasing the capacity of sugar production from 17,000 – 20,000 tons sugarcanes per day and the second biomass power plant. In 2015, the Company has funded 1,300 Million Baht to those projects of 2014 and to increase the capacity of sugar production from 17,000 – 24,000 tons sugarcanes per day. The third 9.9-megawatt biomass power plant is to be constructed in 2016.

Net cash flow from financing activities

Short-term loans from financial institutions were increased for 1,625.82 Million Baht for year ended on 31 December 2014. The loan was used as the Company's working capital for buying sugarcanes and sugar production. The Company has earned 1,112.34 Million Baht from IPO.

For the year ended on 31 December 2015, short-term loans from financial institutions has increased for 1,059.78 Million Baht while long term loans from financial institutions were invested on sugar productions.

Short-term loans from financial institutions has increased for 272.18 Million Baht for year ended on 31 December 2016 while long term loans from financial institutions were invested on sugar productions and credits for expanding sugarcane plantations.

Liquidity Ratio

	Unit	Audited Financial Statement of Year Ended		
		31 Dec 2014	31 Dec 2014	31 Dec 2014
Liquidity Ratio	(times)	0.66	0.85	0.51
Quick Liquidity Ratio	(times)	0.49	0.57	0.31
Average Collection Period	(day)	12	6	6
Average Selling Period	(day)	72	72	72
Collection Period	(day)	52	71	71
Cash Cycle	(day)	-33	-7	-7

For the year ended on 31 December 2014 and 2015, the Company's liquidity ratio has improved by issuing debentures to pay for short-term loans. In 2016, the liquidity ratio dropped as the collection period for debentures is due.

Profitability Ratio

For the year ended on 31 December 2014 and 2015, gross profit margin and net profit of the Company were increased as a result of higher gross profit from commercial electricity distribution. In 2016, gross profit margin and net profit have reduced due to higher cost unit of sugar affected by drought.

Efficiency Ratio

For the year ended on 31 December 2014 and 2015, the asset turnover of the Company was equivalent to 0.85, 0.71 and 0.67 respectively. The fall of asset turnover was the result of the Company's investment on increasing capacity on sugar production and constructions of biomass power plants. This has caused higher asset value while there was only a slight increase of the Company's profits due to lower sugar world price.

Ratio Analysis

In 2014, shareholders' equity has increased to 1,988.40 Million Baht for the following reasons 1) IPO has gained profits of 1,112.34 Million Baht 2) the Company's operations has lowered debt ratio to 1.71 at the end of year 2014.

In 2015, shareholders' equity has increased to 2,126.17 Million Baht as a result of the Company's operations and IPO for production. This had increased the debt ratio to 2.18 at the end of year 2015.

In 2016, shareholders' equity has dropped to 2,092.77 Million Baht due to lower the Company's operations. The dividend of this year has made the debt ratio increased to 2.45 by the end of year 2016.

Contingent Liability and Commitment

For year ended on 31 December 2016, the Company had contingent liability and commitment after buying electricity from Provincial Electricity Authority (PEA) for 4.60 Million Baht.

Main Factors and Influences Affect to the Future Operations.

World Sugar Prices

Since 60 percent of the Company's total revenue are from sugar export; therefore, world sugar price can affect the number of sales. Demand and supply of the market influence the price. Even though sugar price does affect the Company's profit, we still use 70:30 ratio to calculate the price of sugarcanes used mainly for sugar production. For sugar industry in Thailand, whether the world sugar prices are either low or high, the price of sugarcanes vary in line with them.

Cost of Sugarcanes

Sugar industry in Thailand has set the appropriation of benefits at 70:30 for sugarcane farmers and sugar manufacturers. Office of the Cane and Sugar Board calculates the prices of sugarcanes that the manufacturers need to pay for the farmers. The allocation of this pay is 70 out of 100.

Office of the Cane and Sugar Board calculate sugarcane prices in which sugar manufacturers will need to pay for farmers based on the average actual sales price that Sugar Cane & Sugar Thai Co Ltd. (TCSC) has set from quota B. This means material cost varies in line with the price set by TCSC. If TCSC's sales abroad are lower than the actual sales price, the Company needs to pay higher price for sugarcanes compare to net sales of the Company. This may reduce the Company's profit. However, if the Company can sell more than the average sales price, there will be more gains and profit margin.

Risk management for the above includes monitoring closely the fluctuation of the price in order to determine sales plan and ensure that the price set for quota C is reasonable and not less than the average sales price of TCSC.

Procurement

Factors affecting sugarcane volume include:

- A. Changes in sugarcane plantation areas where farmers replace sugarcane with other plants that can yield higher profits. The government policy may encourage farmers to plant those alternative sources of energy such as palms and rubbers.
- B. Climate, rainfall, irrigation system, soil condition, types of sugarcane, sugarcane diseases, and other factors affect the volume of sugarcane. Changes in those factors can reduce the volume of sugarcane per 1,600 square meters
- C. Competition between other sugar manufacturers and BSF can be seen when higher buying prices are offered to the farmers by other companies. As a result, BSF has less volume of sugarcane in stock.

Since sugarcane is the main material for sugar production, lower volume of sugarcane can have an impact on the productivity of the Company. This can result in the Company's higher cost unit, lower earning per unit, and lower net profit.

Government Control

Office of the Cane and Sugar Board is responsible and overseeing Sugar industry in Thailand under the Sugarcane and Sugar Act, B.E. 2527. This is the law that governs sugarcane and sugar manufactory including sugarcane plantation management, sugar production in the factory, export, sugar sales allocation according to quotas (quota A: domestic sales, quota B and C sales abroad), domestic retail price, and sharing benefits between farmers and mills at the rate of 70:30. The ministers of Thailand Ministry of Industry, Thailand Ministry of Agriculture and Cooperatives, and Ministry of Commerce are responsible for regulating the act according to changes in domestic sugar sales price, changes in rules and regulations or any policy of the act which may affect companies' profit and sugar manufacturers.

Rate of Exchange

Export revenues of the Company are in USD currency in which 80 percent are from sugar and molasses sales. The Company is exposed to risk when the rate of exchange is fluctuated and this can affect the operations and revenue of the Company.

Future Projects

The Company has planned to invest in construction a new manufactory to maximize highest benefits for sugarcanes production. The accomplishment is believed to increase profits of the Company.

Other Relevant Information.

- None -



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