



GROWING
TOGETHER

2017

Annual Report

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Financial Result and Operating Overview

Directors and Executives

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Mr. Prachuab Chaiyasan
Chairman of the Board of Directors



Mr. Anant Tangtongwechakit
Chairman of Executive Committee
and Managing Director



Message to Shareholders

In 2017, BRR regarded the operating performance as satisfactory due to the net profit of 525 Million Baht, an increase of 412 Million Bath or 363% year-over-year. As a result of the rising world sugar price caused by the drought in the major sugarcane producing countries such as India, China and Thailand, the revenue from export sugar sales was increased 37% year-over-year to 838 Million Bath. The revenue was recognized from the sugar sales volume of 186,000 tons which was higher than the previous year by 15,000 tons. Moreover, the revenue from electricity sales was increased 28% year-over-year to 108 Million Baht resulted from the growth in electricity generation. The amount of electricity sold was 109 million kilowatts, an increase of 15 million kilowatts year-over-year.

However, BRR is strongly committed to developing the quality of raw materials for the higher sugar yield per ton in accordance with the business philosophy “Sugar Made in the Field”. In addition to well-planning, management as well as utilization of technology and innovation, BRR has an

intent to enhance the competency of both its employees and sugarcane farmers with the mission of “Sugarcane Agriculturist Businessmen” in order to create the stability for such career which provides well returns and happiness to sugarcane farmers who can pass on experiences and knowledge, as well as inherit the business from generation to generation. BRR believes that this commitment will lead to the sustainability of raw materials and also the business operations.

Besides the treatment of sugarcane farmers, BRR has emphasized the community responsibilities. The activities of community relations have been organized on a regular basis such as the education support under the project “the 3rd Knowledge Return for Youth” to provide the students with knowledge and understanding about environment, drugs and campaign against child labour in sugarcane plantations. Moreover, another education support project is “BRR Cuts in Classroom Hours and Rises in Knowledgeable Time on the Way to Sustainability” held

at Nongkwang School. As a result of this support, Baan Nongkwang School has been nominated as a representative of the Northeast Region to participate in the Students' Handicrafts Event, and has received the winner award for 4 consecutive years. For health care support, the health check-up service has been implemented for 4 consecutive years by means of the mobile health unit for people who live in 5-kilometer-distance workplace area. Furthermore, BRR has also conducted various projects, and surveyed the living conditions of people around the nearby workplace in order to build the strong relationship with the communities.

For the operating performance of the biomass-fired power plant in 2017, the company received *the first-runner up award for the cogeneration project* from Air Chief Marshal Prajin Juntong, Deputy Prime Minister in the event of *Thailand Energy Awards 2017* by the Department of Alternative Energy Development and Efficiency, the Ministry of Energy, and also received *the winner award on the cogeneration category* at the *35th ASEAN Ministers on Energy Meeting (35AMEM)* in Philippines.

Regarding the *opportunity for ongoing business growth* and development, there was a resolution to set up the *Buriram Sugar Group Power Plant Infrastructure Fund (BRRGIF)* by the Securities and Exchange Commission on August 1, 2017, and offering of investment units totaling of 350 Million Units with the last offering price and par value per unit by 10.30 Baht. The amount of first offering of investment units was equivalent to 3,605 Million Bath, and such infrastructure fund trading in the Stock Exchange of Thailand was firstly operated on August 7, 2017. Such investment is used for the expansion of power plant business, refined sugar project and bagasse packaging project which are in the process of education and research, as well as other projects of Buriram Sugar Group for the sustainable business growth.

Throughout 2017, BRR has placed *emphasis on compliance with the good corporate governance and anti-corruption*. After the declaration of Thailand's Private Sector Collective Action Against Corruption (CAC), BRR has conducted its businesses in accordance with the policy and measures on anti-corruption, as well as informed and communicated such matter to business partners and related parties, including organized in-house seminars and campaigns. Besides, the whistleblowing channels have been implemented for stakeholders who report potential corruption, or other serious wrongdoings and give suggestions. However, there was no any whistleblowing issue or suggestion received from stakeholders in 2017. Thus, the company is in the process of certification submission from the Collective Action Coalition Committee. Such submission process is expected to be completed within March 2018.

On account of overseeing and monitoring the compliance with the good corporate governance, this led to the result of being assessed as "Very Good" under the project of the Assessment of Corporate Governance Report of Thai Listed Companies (CGR) in 2017 by Thai Institute of Directors (IOD).

Finally, on behalf of the Board of Directors and employees, we would like to appreciate the sugarcane agriculturist businessmen, shareholders, customers, business partners, and all stakeholders who always give us the great supports and suggestions for the business advancement. BRR will continue to operate the businesses in accordance with the good corporate governance for sustainable growth in the years to come.

Financial Result and Operating Overview

Financial Result and Operating Overview

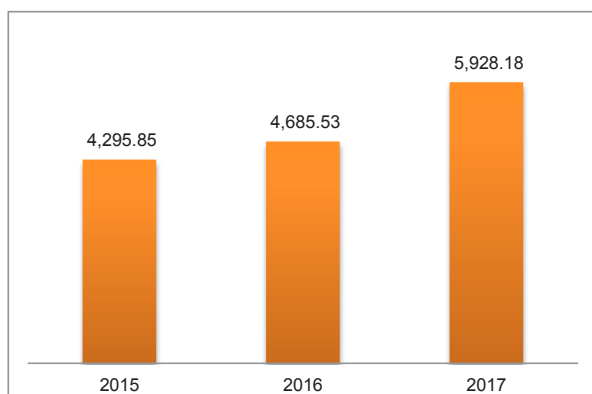
Unit: Million Baht

Financial Statement	2013	2014	2015	2016	2017
P/L Statement					
Revenue from Sales and Services	3,236.87	3,328.04	3,430.39	4,579.21	5,772.86
- Sugar	2,931.28	3,037.72	3,072.30	3,445.60	4,266.61
- Molasses	305.59	290.32	358.09	283.60	437.44
- Electricity	133.00	182.53	279.00	383.81	492.14
- Others	609.00	409.75	517.26	466.21	576.68
Other Revenues	29.93	33.71	69.20	106.32	155.31
Total Revenue	4,008.80	3,954.03	4,295.85	4,685.53	5,928.18
Total Expenses	3,803.24	3,717.73	4,023.50	4,572.21	5,402.76
Net Profit	205.56	236.30	272.35	113.32	525.41
Consolidated Statement of Financial Position					
Current Assets	1,858.40	1,913.14	1,997.05	2,096.05	2,655.50
Total Assets	3,897.89	5,385.54	6,764.48	7,226.86	9,232.74
Liabilities	3,263.21	3,397.14	4,638.30	5,134.09	6,760.20
Shareholders' Equity	634.68	1,988.40	2,126.18	2,092.77	2,472.54
Financial Ratio					
Current Ratio (times)	0.71	1.36	0.79	0.51	1.04
Debt to Equity Ratio (times)	5.14	1.71	2.18	2.45	2.73
Gross Profit Margin (%)	19.25	21.18	21.41	16.61	22.86
Net Profit Margin (%)	6.35	7.10	7.94	2.47	9.15
Return On Assets (%)	5.27	4.39	4.03	1.57	5.69
Return On Equity Ratio (%)	32.39	11.88	12.81	5.41	21.25
Earnings Per Share	0.49	0.44	0.40	0.17	0.65
Dividend Per Share	-	0.20	0.22	0.22	0.45
Dividend Payout Ratio on Net Profit (%)	-	45.45	55.00	130.71	69.55

Financial Result and Operating Overview

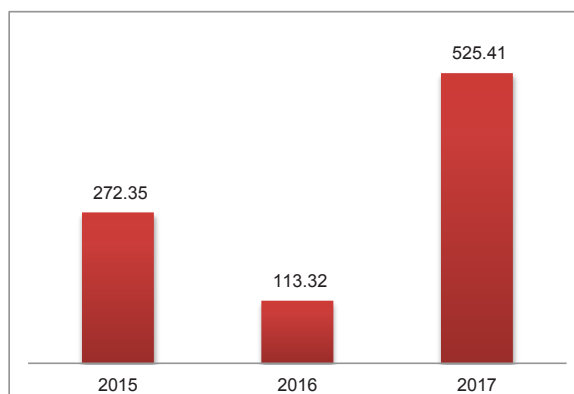
Revenue

Unit: Million Baht



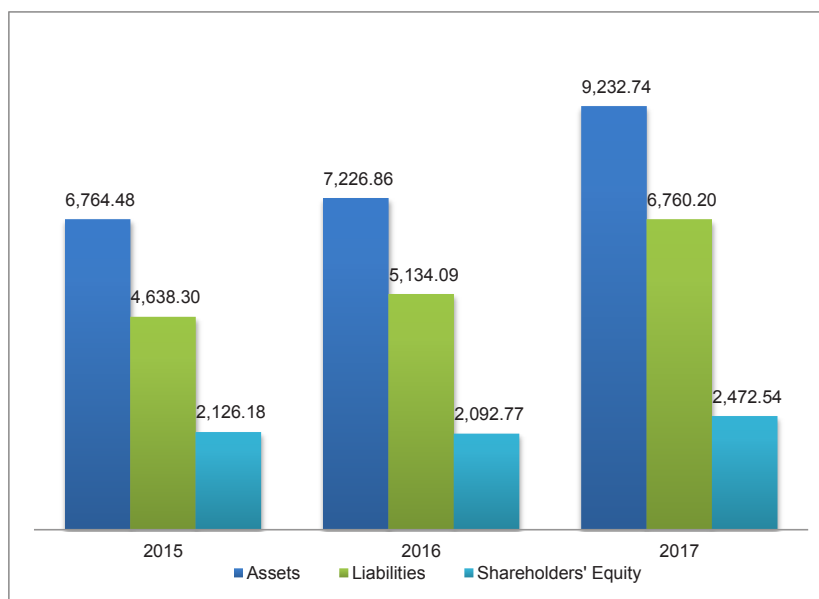
Net Profit

Unit: Million Baht

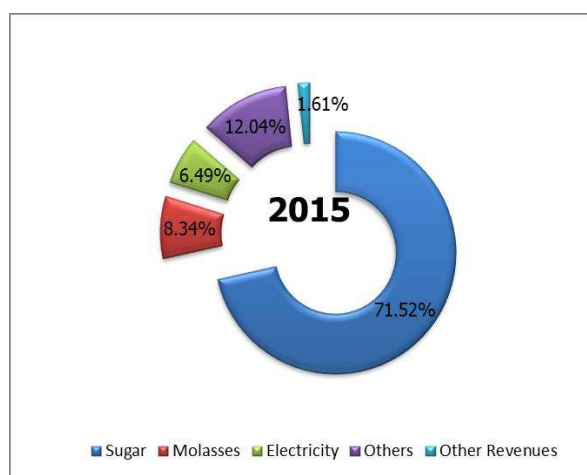
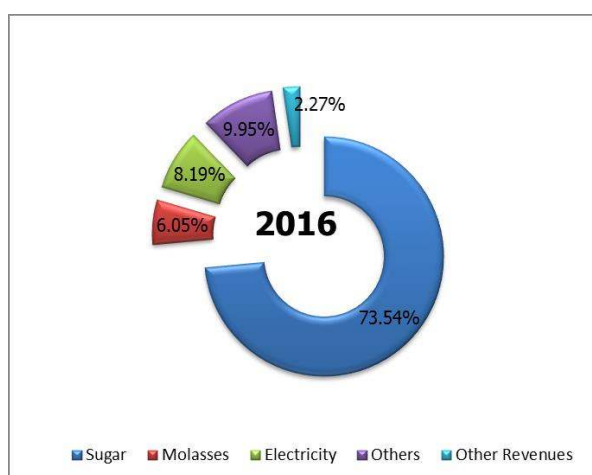
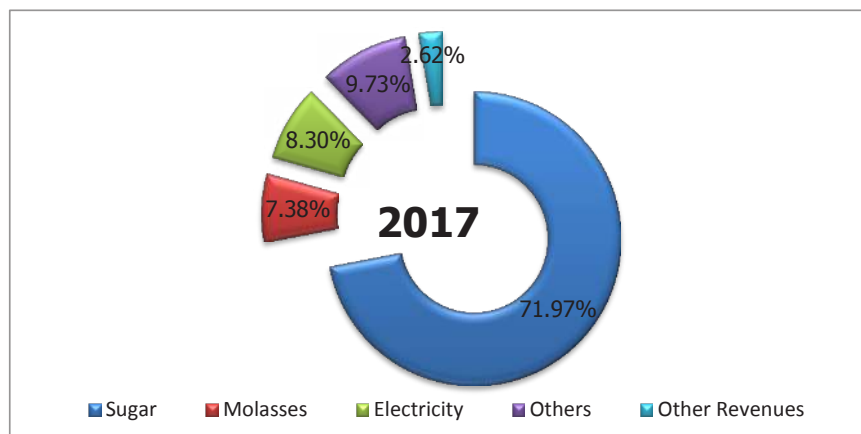


Assets

Unit: Million Baht

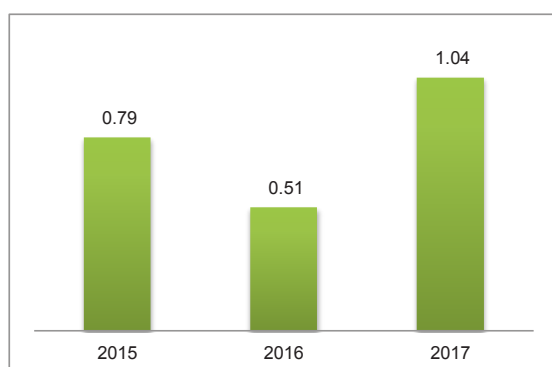


Revenue from Sales and Services



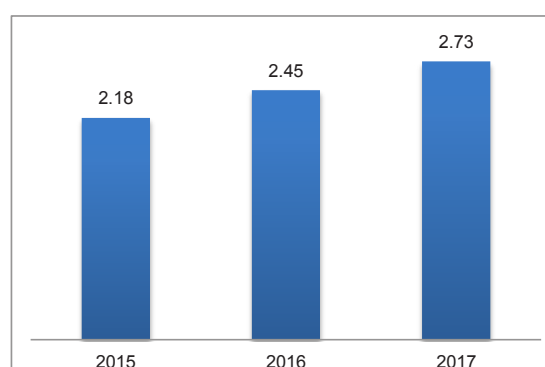
Current Ratio

Unit: Times



Debt to Equity Ratio

Unit: Times



Business Operations Overview in 2017

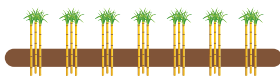
Canes crush
2.20 Million Tons



Contract Farmer
11,023 Contracts



Sugarcane Plantation
185,112.91 Rai
(6.1 Rai = 1 Ha)



Commercial Cane Sugar
(C.C.S.) 13.18



Crushing Unit
20,000 Tons/Day



Total Capacity of Power Plants
19.80 MW.



BEC



BPC

Power Purchased Agreement



BEC with PEA 8 MW.

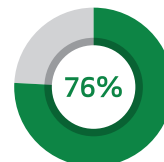


BPC with PEA 8 MW.

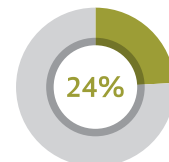
Sugar Selling Proportion

Sugar for Export 76%			Sugar for Domestic Sale 24%	
Asia 65%	Africa 23%	Others 12%	Distributors/ Retail Shops 99%	Modern Trade 1%

Sales by Sugar Types



Raw Sugar and
VHP



Brown Sugar

Domestic Customers

- Distributors mostly are from the northeast and south area of Thailand
- Modern Trade



International Customers



ALVEAN

BUNGE

中糖来宝
noble agri

wilmar

Olam

Sugar Brand: Double Keys Brand



Old Packaging



New Packaging,
Distributed in 2017



Board of Directors

[01] **Mr.Prachuab Chaiyasan**
Chairman of the Board of Directors
(Independent Director) and
Chairman of the Audit Committee

[02] **Mr.Anant Tangtongwechakit**
Director,
Chairman of Executive Committee,
Chairman of Risk Management
Committee and Managing Director
(Authorized Director)

[03] **Mr.Sirichai Sombutsiri**
Independent Director and Audit
Committee Member

[04] **Mrs.Seenual Tasanapant**
Independent Director,
Audit Committee Member,
Chairman of Nomination and
Compensation Committee and
Chairman of Corporate Governance
Committee

[05] **Mrs.Wanphen Punyaniran**
Director (Executive and
Authorized Director)

[06] **Mrs.Jirawan Pongpichitkul**
Director,
Executive Committee Member
and Risk Management Committee
Member (Executive and
Authorized Director)

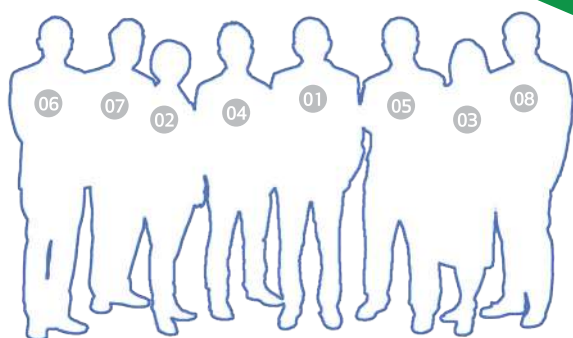
[07] **Miss Chittima Tangtrongwechakit**
Director,
Executive Committee Member,
Risk Management Committee Member,
Nomination and Compensation
Committee Member and Corporate
Governance Committee Member
(Executive and Authorized Director)

[08] **Mr.Sarit Tangtrongwechakit**
Director,
Executive Committee Member
and Risk Management
Committee Member
(Executive and Authorized
Director)

[09] **Mr.Adisak Tangtrongwechakit**
Director,
Executive Committee Member,
Risk Management Committee Member,
Nomination and Compensation
Committee Member and
Corporate Governance Committee
Member (Executive and Authorized
Director)



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

[06] **Mr.Pattarapong Pongsawasdi**
Deputy Managing Director
(Investor Relations,
Foreign Affairs and
Industry Policy Dept.)

[07] **Mr.Pitak Chaosoun**
Deputy Managing Director
(Finance and Operation Group)

[08] **Mr.Adul Suravudhikul**
Senior Assistant Managing Director
(Financial Management Dept.)

1. Policy, Overview and Goal of Business Operation

1. 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 farmers 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 used in Buriram Sugar Group for more than decade which demonstrates 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. 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 by-products of sugar production such as, bagasse, filter cake (press mud) and molasses 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 respectively. BSF received the transfer of 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 the total shares.

BSF conducts sugar production and distribution business. Its factory is located on 237 Moo.2, 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 2.2 million tons in the crop year 2016/17, and 2.9 million tons in the crop year 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 by-product of sugar manufacturing, approximately 14.5-15 MW of the maximum capacity of 18.5 MW to use in the sugar factory area.

2. Chamni Sugar Factory Company Limited (“CSF”) was originally named 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 for 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 named Buriram Agro Energy Company Limited (“BAE”), registered in 2015 with 10 Million Baht of registered and paid-up capital that is held 99.99% of shares by BRR. Nevertheless, BAE was changed for 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 for 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.

- **By-product Business**

1. Buriram Energy Company Limited (“BEC”) was originally named Buriram Ethanol Company Limited, registered on 2005 with 1 Million Baht of registered capital and raised registered capital to 15,600,000 Baht in August 2006 for preparation of ethanol plant construction, however, BEC postponed its construction. In 2010, Buriram Ethanol Company Limited was changed for the company name to Buriram Energy Company Limited, and raised its registered capital to 135,600,000 Million Baht in 2011. BRR currently holds 99.99% of its 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’s electricity generation has been promoted on investment by Thailand 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, and started the power purchase in April, 2015. Furthermore, BPC’s electricity generation has been promoted on investment by Thailand 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 fertilizers and chemical fertilizers by using filter cakes as the main raw material, which is by-product 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. Throughout the years, KBF has developed the variety of fertilizers; therefore, KBF currently produces 3 types of fertilizers which are granulated organic fertilizers, powdered organic fertilizers and granulated chemical fertilizers, and distributes to BRD in order to support the sugarcane farmers to apply these fertilizers for soil adjustment and nutrition consequently to generate more crop yield and higher quality of sugarcanes. In 2017, KBF has expanded its existing market to new markets for distributing the fertilizers to be applied to important economic field crops such as rubbers, cassava, melons, and vegetable plants, etc. Thus, KBF has planned to distribute its products named “Pla Bin” for granulated organic fertilizers, powdered organic fertilizers, organic-chemical fertilizers and liquid fertilizer in 2018.

รายงานประจำปี 2560

โดย บริษัท บุรีรัมย์วิจัยและพัฒนาอ้อย จำกัด



**Buriram Sugarcane
Research and Development Co., Ltd.**

รายงานประจำปี 2560

Supporting Business

Buriram Sugarcane Research and Development Company Limited (“BRD”) was originally named Buriram Machinery Development Company Limited, registered in 1996 with the registered capital of 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 in 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 the economic model “Thailand 4.0” by the government to create a value-based economy that is driven by innovation.

➤ Vision of Buriram Sugarcane Research and Development Company Limited (“BRD”)

“Excellence in Academic Knowledge and Management for the Stable Production and Sustainable Living of Sugarcane Farmers”

➤ Policy and Mission

- Promote sugarcane farmers in a radius of 40 kilometers around the manufacturer to ensure the high crop yield and good quality based on academic knowledge and their responsibility.

- Develop the management system to ensure the stability of output and profit of sugarcane farmers.
- Develop innovation to enhance the competency of the organization and sugarcane farmers.
- Promote the education of its personnel and sugarcane farmers for mutual sustainable growth.
- Research and development for the sustainability of the career in sugarcane farming.

➤ **Value**



➤ **Mission**

- Promote the factors of production in sugarcane planting for sugarcane farmers in order to generate the sugarcane crushing volume and quality as targeted.
- Provide suggestions, knowledge, and technology about production to sugarcane farmers to enhance their competency and to operate their sugarcane farming in appropriate and timely manner; consequently, sugarcane farmers will earn well returns from such career, good quality of life, and sustainable career.
- Develop human resources in raw materials procuring department in order to possess expertise and skills for monitoring, assisting, and provide solutions for sugarcane farmers effectively, together with developing sugarcane farmers' knowledge to be upgraded to professionals, and creating their sustainable happiness.
- Study and develop the new sugarcane planting pattern, sugarcane varieties, and factors of production suitable for sugarcane farmers in the sugarcane planting promotion areas in order to reduce production cost and increase the crop yield per rai.

➤ **Objectives**

- Produce the sugarcane volume for crushing 3,000,000 tons.
- Produce higher sugar yield per ton.
- Create the sustainable career in sugarcane planting for sugarcane farmers who can adhere to this career for good.

➤ **Responsible Party**

Buriram Sugarcane Research and Development Company Limited

➤ **Goal**

Procure the sugarcane volume to Buriram Sugar Factory Co. Ltd. for crushing 3,000,000 tons.

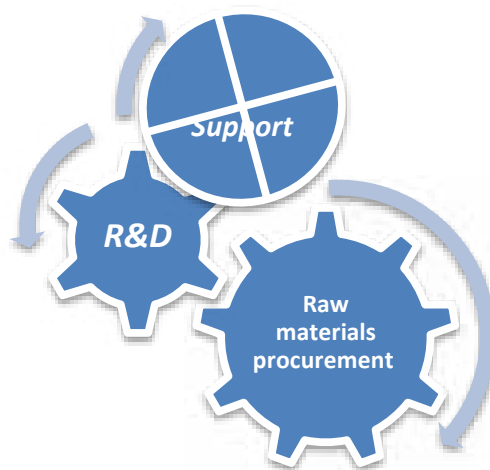
➤ **Excellence in Management to be the Original Sugar Factory of Thailand**

- Implement the smart farming system.
- Utilize GIS to plan the management of individual sugarcane plantation to ensure maximum production and sugar volume per rai.
- Utilize the promotion system and monitor the individual sugarcane plantation based on academic knowledge and oversee sugarcane farmers as scheduled to ensure the targeted output.
- Utilize the promotion system for grouping strong sugarcane farmers to develop their sugarcane planting competently.
- Develop its personnel and sugarcane farmers to enhance professional competence on a regular basis.
- Build the community engagement and confidence in the career of sugarcane planting.

➤ **Strategy**

- Apply the precision agriculture with the management of factors supporting the growth of sugarcanes as planned.
- Management of working group to establish the agricultural network and effectiveness of mutual resource consumption, cost reduction, and knowledge transfer to the member of each team.
- Public relations to provide knowledge throughout the sugarcane plantations.
- Management system to support sugarcane farmers to be accessible and able to obtain the factors of production in time.
- Support and develop its personnel to achieve the objectives with happiness and sustainability.
- Build alliances with private and governmental sectors both domestically and abroad.

➤ **Working procedures**



1. Raw Materials Procurement

1.1 Quantity

Sugarcane planting promotion zone is responsible for sugarcane plantations around the factory which are divided into 17 promotion zones in order to cover more promotion areas. The promotion offices have been established for the convenience of communicating and giving advices to sugarcane farmers.

Promotion strategy for increase of production and reduction of cost

- Sustain the sugarcane plantations without changing to other crops by means of increasing production and reducing cost to provide valuable returns to sugarcane farmers.
- Manage the precision agriculture as planned with the management of key factors essential to sugarcane production process. Utilize the technological equipment to enhance productivity as well as IT and communicating application.
- Employees encourage the knowledge transferring to make sugarcane farmers understand the whole system of sugarcane and sugar production procedures and to instill the cooperative awareness.
- Monitoring system of sugarcane plantations in line with the schedule and sugarcane growing phases by using the geographic information system to manage the smart farm system.

1.2 Quality and development of sugarcane farmers

- Training seminars and knowledge building to be applied for career enhancement.

- Building the strength-based practice by establishing the agricultural network to transfer knowledge of sugarcane production and monitor the network's performance in each plantation.

1.3 Sustainability

- Improve the soil structure with organic-chemical fertilizers and dolomite to adjust the soil pH for the efficient fertilizer use and adjust the soil structure for the growth of sugarcanes appropriately and sustainably.
- Research of applying fertilizers according to the soil analysis interpretation to ensure that each sugarcane plantation is applied with the appropriate fertilizers to increase production and reduce the production cost.
- Adjust sugarcane varieties suitable for the harvesting period and production capacity of the sugar factory to obtain the best raw materials to produce the most efficient sugar.
- Experimental sugarcane plantation is established to test and select the sugarcane variety which is the most suitable for sugarcane farmers' planting areas.
- Use of the biological control for preventing and eradicating pest.

2. Research and Development

2.1 Development and promotion plan to use sugarcane varieties

"The maximum sugar production per rai and resistance to pest"

- Experiment and research the sugarcane variety suitable for local condition.
- Research and promote the use of sugarcane varieties as appropriate.
- Breeding the key sugarcane variety to sugarcane farmers.
- Improving and adjusting the soil and using fertilizers suitable for planting sugarcanes and increasing production.
- Technology to control disease and pest is divided into monitoring, natural pest breeding, disease control with integrated method, trainings, and the strong agricultural network.

2.2 Development plan for sugarcane farmers

- Training for the trainer
- Building the strong agricultural network
- Monitoring sugarcane plantations and visiting sugarcane farmers
- Creating the village model with high production
- Training center for sugarcane farmers
- Training seminars and study visits

2.3 Human resources development plan for agricultural promotion

- Improve knowledge and skills
- External training seminars and study visits on a regular basis
- Key performance indicator system and incentives
- Courses for improving employees

3. Support

3.1 Management system

- The MIS (Management Information System) has been implemented. Working procedures are operated on website for managing sugarcane plantations, monitoring the sugarcane quality of each plantation, overseeing the sugarcane farmers' operations as scheduled, supervising the growth rate of sugarcanes, and recording data for harvesting and transporting sugarcanes.
- The GIS (Geographic information system) has been implemented for planning the promotion, developing to increase production, monitoring the sugarcane farmers' operational standard (route overseeing), following-up and prevention, disease and pest control, managing financial support, cutting and transporting sugarcanes.
- Auditing system with UAV to monitor sugarcane plantations.
- Working period system and KPI.

3.2 Proper use of farm tools and equipment

- Equipment for soil preparation and planting
- Equipment for care and maintenance
- Equipment for harvesting and transporting sugarcanes

GIS (Geographic Information System) is utilized for the promotion project to ensure the accuracy in consideration of distributing factors of production, preventing errors occurred from providing inaccurate financial support, as well as building trust toward the factory relating to production volume, which has been implemented for the promotion project as follows:

- Determining the targeted areas, which are empty and have no sugarcanes but considered as proper land for planting, to plan for promotion project.
- Recording information about sugarcane planting locations and areas with appropriateness which can be audited. The promotion agents shall record such locations via GPS equipment prior to promotion requisition.

- Audit unit uses the system for auditing procedures for making decision on approving the promotion.
- Monitoring sugarcane uploaded for crushing and sugarcane farmer receivables in effective and timely manner.
- Verifying the redundancy of sugarcane plantations of each sugarcane farmer.

MIS (Management Information System) is utilized for managing and administrating the promotion system to ensure the most effective working procedures of the raw materials procurement department.

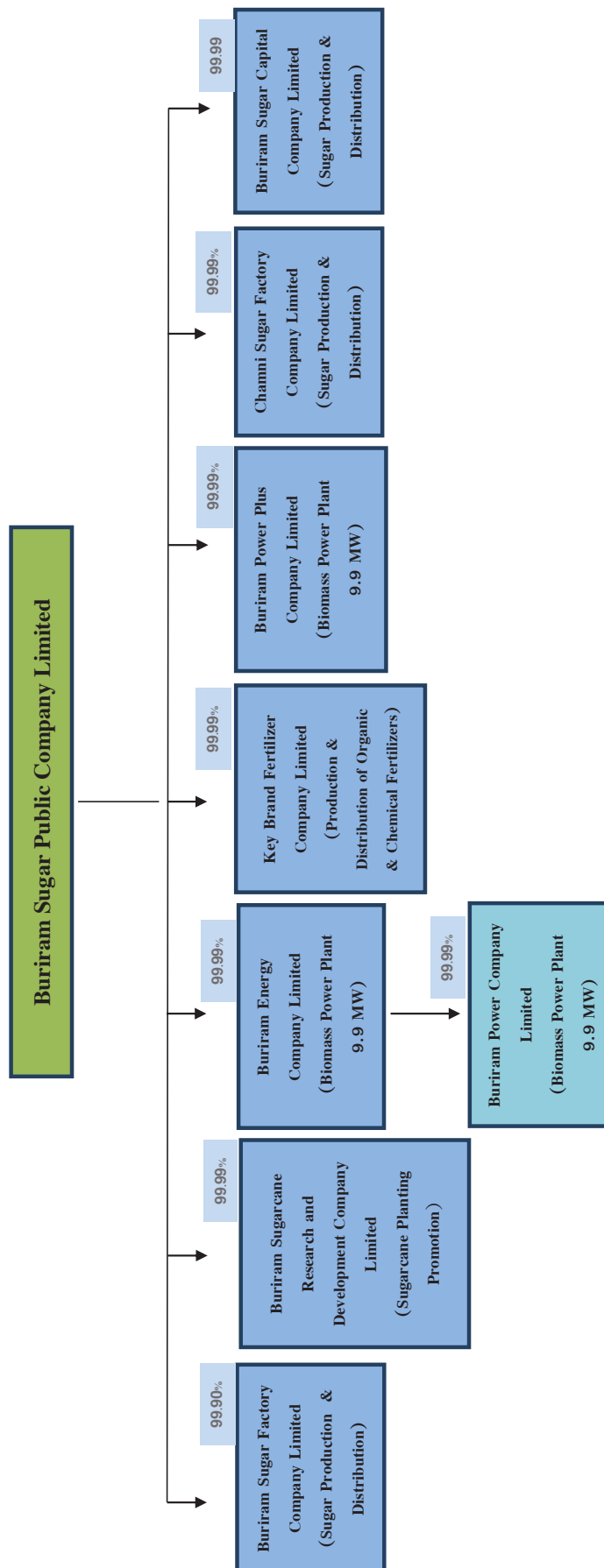
- MIS is used together with GIS for analyzing the risks on promoting, distributing factors of production, and decision-making process for promotion.
- MIS is used for overall conclusion made by the promotion unit for further proposing to the executives for making decision and determining a policy.
- Analyzing the sugarcane planting promotion and establishing the warning system to determine the guidelines and preventive measures.
- Specifying the proper working procedures and successful goals setting.
- Promotion officers are able to acknowledge the operating status of sugarcane farmers through the report for further monitoring their tasks.

Procedures for providing financial support via GIS and MIS

1. Promotion officers hold a meeting and enter into a contract with a sugarcane farmer for sending sugarcane to the factory, including measuring the sugarcane planting area, and preparing data for sugarcane planting inspection in order to further request the promotion.
2. Submit the report on sugarcane planting inspection together with the picture of plantation areas measured by GPS for supporting evidence to request the promotion.
3. Director of the promotion shall consider the distribution of production factors and further assign the credit department to be responsible for distributing factors of production.
4. Credit department shall analyze the payment of financial support in consideration of the report on permission for financial support as follows:
 - 4.1 Record of sending sugarcane and outstanding debt (5 years backward)
 - 4.2 Survey of sugarcane plantations and financial support limit approved at the present year
 - 4.3 Financial support limit used and financial support limit balanced
 - 4.4 Guarantor and collateral

- 4.5 Opinions of the credit department and credit manager
 - 4.6 Sugarcane farmers' overall information and audited data of sugarcane plantations
 - 4.7 Database system of sugarcane plantations and records of treating sugarcane plantations
5. Notifying the approval of the promotion result to promotion officers in order to further inform sugarcane farmers to receive the factors of production as approved.
6. After the factors of production received by sugarcane farmers, the promotion officers have to ensure that whether they plant and treat sugarcanes or not by recording data of sugarcane plantations and sugarcane treatment as planned. The promotion agents are responsible for recording such data and pictures on the online system linked to the company's database system for further consideration. Such information keyed in the online system must be operated every two weeks.

The Subsidiary 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 Manufacturing and Distributing	Core Business	79.836* (58.621)**
Chamni Sugar Factory Company Limited	5.00	99.99	Sugar Manufacturing and Distributing (Not Operated Yet)	Subsidiary	N.A.**** (0.508)**
Buriram Sugar Capital Company Limited	10.00	99.99	Sugar Manufacturing and Distributing (Not Operated Yet)	Subsidiary	N.A.**** (0.583)**
By-product Business					
Buriram Energy Company Limited	135.60	99.99	Biomass Power Plant	Subsidiary	4.233* (5.710)**
Buriram Power Company Limited***	170.00	99.99	Biomass Power Plant	Subsidiary	4.120* (7.058)**
Buriram Power Plus Company Limited	160.00	99.99	Biomass Power Plant (Initially Operated on December, 2016)	Subsidiary	0.001* (6.606)**
Key Brand Fertilizer Company Limited	15.00	99.99	Organic and Chemical Fertilizers Manufacturing and Distributing	Subsidiary	5.930* (1.390)**
Supporting Business					
Buriram Sugarcane Research and Development Company Limited	70.88	99.99	Research and Development to Increase the Efficiency of Sugarcane Farming	Subsidiary	5.882* (5.417)**

Remark:

* Sizes of Subsidiary on the Holding Company are calculated by revenue of the subsidiary's core business divided by 2017 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 deducting connected transaction with total asset of the Holding Company at the end of 2017

*** Shares hold by Buriram Energy Co., Ltd.

**** In 2017, the subsidiaries have not started business operation yet; therefore, there is no revenue to be calculated for the size of subsidiary on the Holding Company.

3. 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: BRR has transferred its employees in department of production, procurement, marketing, and loan to BSF and its employees in department of material procurement, as well as fertilizer, medicine, and equipment loan to BRD for efficiency in managing personnel and experts. The department of operation and support (except department of loan) are under management of the Company. The main reason to firstly transfer personnel to the subsidiaries because the Company has not received approval to transfer the licenses from the Office of the Cane and Sugar Board. Since, period of cane crushed was near, the Company had to transfer personnel first to be able to operate work uninterruptedly. BRR leaved the business rehabilitation plan.
2011	<ul style="list-style-type: none"> BRR sold its assets as well as sugar manufacturing and distribution license and factory business license to BSF. BRR changed its operating business to Holding company while BSF operates sugar manufacturing and distributing business. BEC have had equipped capacity 9.9 MW and made a trading contract with PEA amounted 8 MW and distributed remaining 1.9 MW to use in the factory and receive Investment Promotion Card no.2003(1)/2554

Year	Major Events
2011	<ul style="list-style-type: none"> 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 totaling 180,800,000 shares offered to existing shareholders at specified value price. Capital increase ordinary shares not exceeding 6,767,500 shares offered to directors, executives, and employees at 2.70 Baht per share. Capital increase ordinary shares not exceeding 169,182,500 shares offered to public. BEC participated in “Thai power love Thai energy” broadcast on Thai News Network on July 22, 2013. BRD had more 872 farmers and own more 8,153.92 Rai of cane growing area in production year 2012/2013 totaled 7,133 farmers and 129,516.73 Rai of cane growing area. BRD finished creating UAV for cane farm survey and initialized flight in January 2013. The UAV operating time is 20 minutes at altitude 300 meters.

Year	Major Events
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 operating the biomass power plant. 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.
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.

Year	Major Events
2016	<ul style="list-style-type: none"> • 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, Buriram Province according to the license authorized by Office of the Cane and Sugar Board on December 30, 2015. • BPP which is the third power plant of BSG was officially operated on December 1, 2016.

Year	Major Events
2016	<ul style="list-style-type: none"> 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.
2017	<ul style="list-style-type: none"> BRR raised its registered capital from 676,750,000 Baht to 812,100,000 Bath, and already paid-up 812,099,845 Baht on May 29, 2017 to facilitate the common stock dividend payment to the company's shareholders. The Securities and Exchange Commission approved to set up the Buriram Sugar Group Power Plant Infrastructure Fund (BRRGIF) on August 1, 2017, and offering of investment units totaling of 350 Million Units with the last offering price and par value per unit by 10.30 Baht. The amount of first offering of investment units was equivalent to 3,605 Million Bath, and such infrastructure fund trading in the Stock Exchange of Thailand was firstly operated on August 7, 2017. BRR was assessed as "Very Good" by 87% in 2017 enhanced from "Good" in the previous year under the project of the Assessment of Corporate Governance Report of Thai Listed Companies (CGR) in 2017 by Thai Institute of Directors (IOD). BRR's assessment scores were higher than the average scores of listed companies. BEC received the first runner-up award for the cogeneration project in the event of Thailand Energy Awards 2017 by the Department of Alternative Energy Development and Efficiency, the Ministry of Energy. BEC received the winner award on the cogeneration category at the 35th ASEAN Ministers on Energy Meeting (35 AMEM) in Philippines.

4. Business Goal

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

4.1 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 was 2.06 million tons. In the crop year of 2016/17, the amount of cane crushing increased by 2.20 million tons, and expectedly by 2.90 million tons in 2017/18. For sugarcane plantation areas presently (crop year 2017/18), such area is totally measured at 239,523 rai, an increase of 54,410 rai compared with the crop year 2016/17 (the crop year 2016/17 had the plantation area by 185,112 rai). In 2017/18, there were contracted sugarcane farmers 11,780 farmers, increased from the previous year where there was 11,023 farmers. In addition, the Commercial Cane Sugar (“C.C.S.”) in 2015/16 was 13.45% which was ranked in top 5 of Thailand. However, the C.C.S. was dropped in 2016/17 due to the drought crisis. In 2017/18, the C.C.S. projection is approximately 13.50%, and the sugar production is expected at 120.00 kilograms per tons of sugar yield.

➤ Investment Expansion, Value Addition to Products and By-products 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 the sugar factory 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 which was approved from the shareholders on September 2016. There was a resolution to set up the *Buriram Sugar Group Power Plant Infrastructure Fund (BRRGIF)* by the Securities and Exchange Commission on August 1, 2017, and offering of investment units totaling of 350 Million Units with the last offering price and par value per unit by 10.30 Baht. The amount of first offering of investment units was equivalent to 3,605 Million Bath, and such infrastructure fund trading in the Stock Exchange of Thailand was firstly operated on August 7, 2017. Such investment is used for the expansion of power plant business, refined sugar project and bagasse packaging project which are in the process of education and research, as well as other projects of the company and its subsidiaries for the sustainable business growth.

4.2 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 by-products to increase revenue and create the business sustainability by conducting the feasibility study of ethanol, bagasse packaging and other products which can create value addition to agricultural byproducts of BSG.

4.3 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 developing and arranging the human resources 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 Resources 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), etc. 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 has 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 farmer 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 green muscardine 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 empowered by the innovation.

4. Community and Environmental Development

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

Community Development: BSG has set the important mission to enhance the life quality of people in the community through the knowledge management and the career support; therefore, BSG has 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, and so on. Additionally, the activities about environmental conservation have 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 conservation.

5. Good Corporate Governance and Business Ethics in Business Management and Development

The commitment in organization sustainable development with good corporate 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 auditors 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 policy and also organized the training for employees to gain more understanding, self-awareness and appropriate practices concerning to this matter. Additionally, BSG has reviewed the "Good Corporate 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" effectively in 2017, and published on the Company's website. (According to the BRR's Board of Directors' Meeting No. 2/ 2017 on February 23, 2017, the resolution was to unanimously approve "Good Corporate Governance and Code of Conduct Handbook").

2. Nature of Business

(1) Revenue Structure of Buriram Sugar Group

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

Types of Revenue	Company/ Subsidiaries	2015		2016		2017	
		Million Baht	%	Million Baht	%	Million Baht	%
1. Revenue from Sugar and Molasses Sales							
1.1 Revenue from Domestic Sales of Brown Sugar	BSF	966.06	22.49	1,162.02	24.80	1,144.94	19.42
1.2 Revenue from International Sales of White Sugar	BSF	-	-	53.29	1.14	6.67	0.11
1.3 Revenue from International Sales of Raw Sugar	BSF	2,094.33	48.75	2,230.29	47.60	3,114.99	52.83
1.4 Revenue from Domestic Sales of Molasses	BSF	369.99	8.61	283.60	6.05	437.44	7.42
Total Revenue from Sugar and Molasses Sales		3,430.39	79.85	3,729.19	79.59	4,704.04	79.79
2. Revenue from Other Related Business							
2.1 Revenue from Electricity Sales	BEC / BPC	279.00	6.49	383.81	8.19	492.14	8.35
2.2 Revenue from Fertilizer Sales	BPP/ KBF	378.30	8.81	328.83	7.02	335.51	5.69
2.3 Revenue from Other Goods Sold and Services Rendered	BSF / BRD	138.96	3.23	137.38	2.93	208.75	3.54
Total Revenue from Other Related Businesses		796.26	18.53	850.02	18.14	1,036.40	17.58
3. Other Revenues*	BRR / BSF / BRD / BEC / BPC	63.08	1.47	95.22	2.03	151.72	2.57
4. Profit (Loss) from Exchange Rate	BSF	6.12	0.14	11.09	0.24	3.59	0.06
Total Revenue		4,295.85	100.00	4,685.52	100.00	5,895.76	100.00

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

(2) The Business of Sugar Manufacturer and Distributor

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

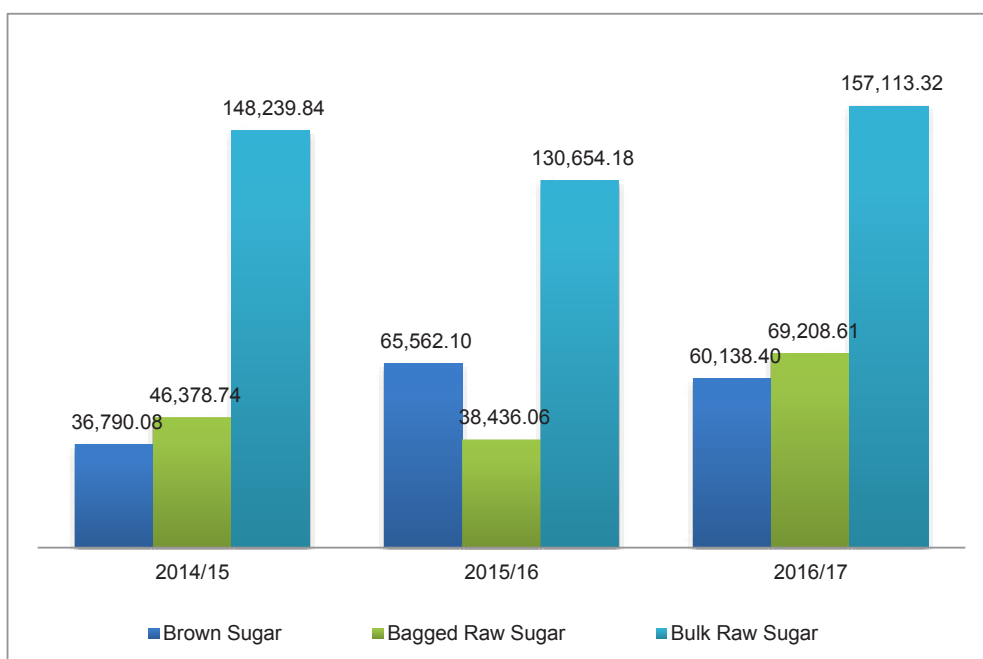
BSF is the first sugar mill of Buriram Sugar Group (“BSG”) which is located in the local community for approximately 5 decades. Throughout these years, BSF commits to produce quality sugar and safety products for consumers as well as create customer satisfaction. Therefore, BSF has developed the quality process of sugar production and distribution and received the international standard certificates which were, for example, “ISO 9001: 2015” 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 emissions 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’s Sugar Production Volume Classified by Types of Sugar

Unit: Metric Ton



Raw Sugar

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. The crystals of this sugar are bright, light-to-dark brown, and contain medium moisture. Raw sugar crystals tend to stick together and not crumbly. This type of sugar cannot be consumed until it is reprocessed 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 exporting overseas by dividing into 2 sizes which are 50 kilograms and 15 kilograms and also plan to pack in sacks size 500 kilograms in 2017/18 crop year.

Brown Sugar

Brown sugar is purified sugar without processing its color value therefore it becomes gold with the ICUMSA Unit of 1,000 approximately in general. The company produces brown sugar with 700-1,300 ICUMSA Unit (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 mostly in Northeastern, Southern and Bangkok metropolis area including modern trade as well.

BSF Sugar Classified by ICUMSA, Polarization and Moisture

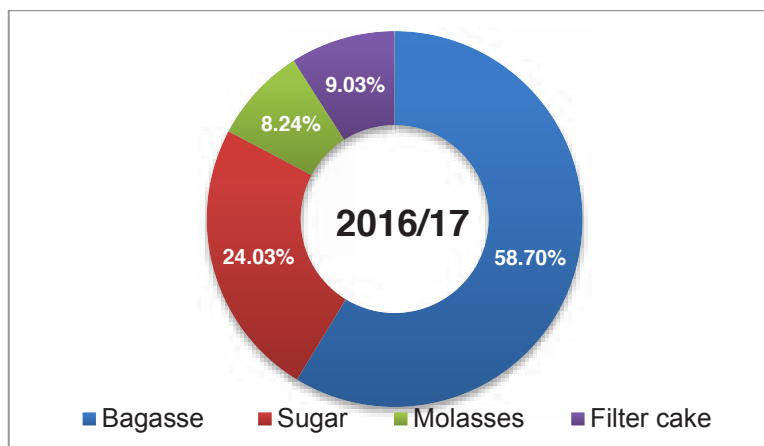
Products	ICUMSA Unit	Polarization 2 (%)	Moisture (%)
Brown Sugar	800 – 1,300	≥ 99.20	≤ 0.1
Bagged Raw Sugar	800 – 1,300	99.20 - 99.50	≤ 0.2
Premium Sugar	$\geq 1,000$	≥ 99.20	≤ 0.2

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 2016/17 crop year, the quantity of cane crushing was approximately 2.21 million tons which could produce 251,696 tons of sugar and also byproducts from sugar production process namely 86,341 tons of molasses, 614,698 tons of bagasse and 94,594 tons of filter cake.

Proportion of Sugar and Byproducts in 2017



Hence, the physical characteristics and utility of by-products are as follows:

■ **Molasses**

Molasses is one of by-products 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), animal feeds, vinegar, soy sauce and dressing. 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 dried by 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 by-product 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 by-products from sugar production which can be utilized to propel machineries and generate electricity. The maximum electricity generation capacity of BSF is 18.5 Megawatts; however, BSF currently generates 14.5–15 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 two licenses issued 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 cane crushing capacity of 20,000 tons per day for each factory. 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 sugarcane 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 is expected to start the construction in 2018.

2.3 Market and Competition

➤ **Competitive Strategy**

BSG has experiences in sugar production and distribution more than 54 years. In order to strengthen the BSG’s businesses, Buriram Sugarcane Research and Development Company Limited (“BRD”) is established for raw materials management by promoting and supporting sugarcane farmers to ensure the business competitive advantage. BSG has determined the strategy upon goal-oriented promotion

leading to achievement together with the development of human resources and sugarcane farmers. In addition, there are new research and development on sugarcane quality for higher output, experiment and examination of sugarcane variety for productivity, pest and disease resistance, productivity of ratoon sugarcanes suitable for the plantation areas in Buriram, and management of pest and plant disease with bio method. These have been extended to sugarcane farmers, and establishing their network to manage the sugarcane pest problem. Moreover, BSG has developed agricultural equipment to reduce expenses and workforce cost, and promoted sugarcane plantation by means of information technology to manage the sugarcane farm system on the contract farming. The agriculturist network is strengthened with the support and promotion upon the knowledge to enhance skills, experiences, development and products in every dimension, which can be applied for themselves, leads to sustainable development and sugarcane farmers' good quality of life, and in accordance with BSG's vision of business operation stating that **“Building the Crop Yield Stability and Life Quality of Sugarcane Farmers”**. Such various operations are summarized as follow:

1. Sugarcane Growing Promotion on Contract Farming

Contract Farming

The company has contracted with sugarcane farmers with the contract farming system in order to support the factors of production and advance credits to ensure the stability of raw materials and output. The company has implemented GIS (Geographic Information System) for measuring land areas with the managing system of MIS (Management Information System) by measuring latitude and longitude coordinates of sugarcane farms to access the information about sugarcane farming, field-by-field management for generating the maximum output. Such system is linked with the contract farming which records sugarcane farming activities, information of sugarcane farms, farm codes, land areas, nature of sugarcane farms, types of sugarcanes, factors of production, financial support and so on, helping for consideration on such operations.

Supportive Areas

The supportive areas for growing sugarcanes have mainly been highland as the first place, this consequently provides less output. The agriculturalist have adjusted their ways of life and applied the land for sugarcane plantation instead. Such land is suitable for growing sugarcanes with the support of monitoring and providing factors of production at each sugarcane farm. As the result, such operations have been successful and generally accepted, which can be seen from the higher number of sugarcane farmers, plantation areas, and qualified sugarcanes every year.

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



Number of Contract Farming, Sugarcane Fields and Cane Crushed

Items	Crop Year					
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Contract Farming (Persons)	10,089	10,777	11,587	11,023	11,780	10,833
Sugarcane Fields (Rai)	168,000	180,046.23	189,381.90	185,112.91	239,523	220,000
Cane Crushed (Tons)	1,760,455.20	1,951,247.12	2,060,649.65	2,200,000	2,900,000	3,100,000
CCS. (%)	13.48	13.48	13.45	13.18	13.50	13.70
Sugar Yield	118.24	118.60	117.06	112.59	120.00	120.00

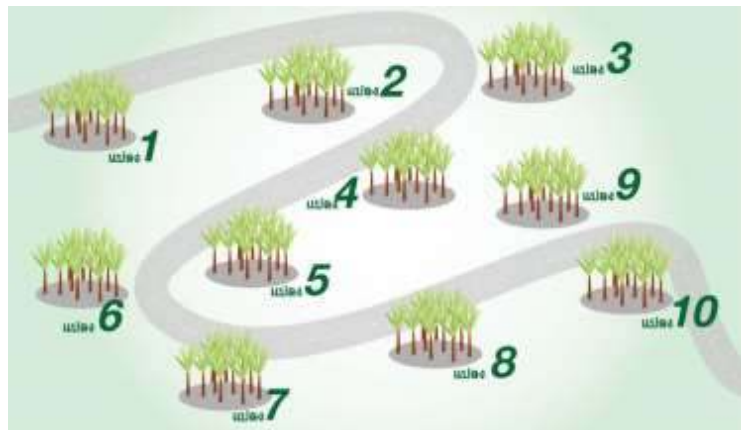
2. Individual Plantation Promotion and Monitoring

The company has selected personnel with regard to producing sugarcane namely “Specialist Increases Production” (“Specialist”) providing suggestions to sugarcane farmers for managing the factors of production and sugarcane output from the start of planting to harvesting. Such all steps are equally important. Moreover, the extension offices have been established in more than 16 promotion zones spreading around the plantation areas for a close relationship with sugarcane farmers in every area. The promotion zones are the center of providing technological knowledge and studying the sugarcane production, monitoring the agricultural activities as considered one of the operational procedures in order to enable the company to access the information status of sugarcane plantation in line with the growth phase, or any deficiency needed to be rectified with the along-the-route examination conducted by the company’s

staff to ensure that every plantation is supervised completely, and there is an exact supervisory schedule. While supervising, the specialist records the plantation status via application and updates on the information server, and then conducts real-time evaluation of every individual provided to the management and related persons for acknowledgment.

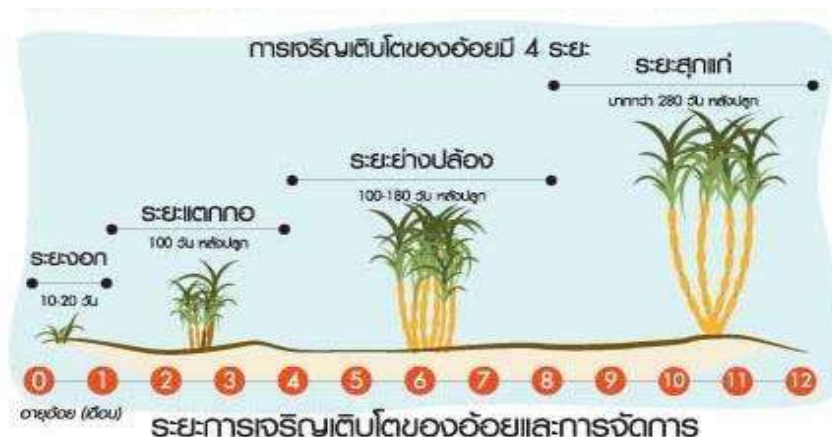


Route System



3. Promotion during Growth Phase

There are 4 growth phases of sugarcanes. Each phase needs different factors of production and management to ensure the effective management and the best output. The company has monitored and promoted in line with the growing stages of sugarcanes such as supervising the germination percent during the period of 45 days, counting sugarcane tillers on the tillering phase of 4-5 months, and evaluating the output and sugarcane quality on the phase of 11-12 months. Moreover, the company has to determine activities for providing suggestions, auditing, and monitoring the operations of sugarcane farmers relating to sugarcane treatment such as applying fertilizers, and pest control, etc. This makes sugarcane farmers understand the sugarcane stalk for proper management, understand the nature and need in each phase of sugarcane growing, and enables them to check or monitor procedures performed, and evaluate the products and quality, as well as the sugarcane farmers have to understand the sugarcane's growth phase for further management as targeted.



4. Management System for Sugarcane Farmers' Sustainable Goals

The company has prioritized the raw materials management because the quantity and quality of raw materials can provide operating performance toward sugarcane farmers including the sugar factory as the business partner. Thus, the procurement of raw materials sufficient for the factory's production capacity is important. Regarding the sugarcane plantation of 40 kilometers around the factory, the company has set up the promotion zones for sustainable creation toward sugarcane farmers and the factory because such distance can be controlled for providing services and reducing transportation expenses. Such promotion zones are the center for development of production and quality and sustainability in accordance with the company's mission to enhance the productivity of sugarcane farmers living in the area of 40 kilometers around the factory, and good quality based on academic knowledge and their responsibility. In addition, the company has developed the management system to ensure the stability of output and profit of sugarcane farmers, the innovation to enhance the competency of the organization and sugarcane farmers, promoted the education of its personnel and sugarcane farmers for mutual sustainable growth. Moreover, sugarcane farmers are able to develop their production as targeted, which is necessary to determine procedures to implement the strategy and guidelines, clear working time frame for personnel and sugarcane farmers for taking actions in the same direction. Thus, the Buriram model has been established for such operations as follows:

- Sugar made in the fields
- Building the network "Strong Agri-Businessman Network"
- Using GIS (Geographic Information System) and MIS (Management Information System) to enhance the productivity
- Monitoring individual sugarcane plantation for earning the maximum value from resources at each area (x, y Coordinate).
- Developing and enhancing the human resources and agri-businessmen for further performing duties with knowledge by specifying the consequences and mutual action plans

Regarding the human resources development, this is developed for both company's employees and sugarcane farmers to ensure the enhancement of productivity for the same goal orientation.

5. Establishment of Good Relationship and Engagement with Sugarcane Farmers

With the commitment to stability and development of sugarcane farmers' quality of life, in 2017, the company has initiated the concept of changing sugarcane farmers into "agri-businessmen". Such concept paves the way to develop the sugarcane production, sugarcane farmers to be agri-businessmen who are the expert of management, recognition of cost and expenses, proper operations, and can improve their occupation. Thus, this is to make such career stable, provide earnings and happiness, which is proud and inherited from generation to generation.

In addition, the company has various communication channels for providing news and useful activities for sugarcane farmers such as FM 92.0 MHz radio, social network: Facebook, leaflet, journals and so on.



6. Research and Development for Capability of Sugarcane Production

The company has focused on establishing the organizational excellence on academic knowledge and management to ensure the stability of production and sugarcane farmers' living condition. Such production is conducted based on academic issues with the result of every kinds of learning processes such as trainings, coaching, demonstration, as well as activities, seminars, workshops, in order to cultivate the collaborative awareness, determine the same orientation, and build stability of raw materials. Moreover, the company has planned the human resources development of its personnel and sugarcane farmers with theoretical knowledge and practical skill, including domestic and overseas study visits to apply knowledge and technical methods to develop the capability of sugarcane production.

Human Resources Development and Overseas Study Visits



Sugarcane Variety Selection



6.1 Use of Information System for Sugarcane Field Management

The company has developed the management system equipped with MIS (Management Information System) and GIS (Geographic Information System) to create online content which shows real-time information to ensure the effective sugarcane production management of sugarcane farmers. Moreover, cost and resources at each coordinate can be used and operated properly. There are more than 10,000 sugarcane fields which are monitored and recorded about status or other procedures at every 15 days. Advance of factors of production and procedures are all recorded on MIS to evaluate such information to provide the status referred for decision making on individual sugarcane field management as planned.

MIS (Management Information System)



6.2 Experiment and Selection for Appropriate Sugarcane Varieties

The research center has been established to experiment and test sugarcane varieties to enhance knowledge and discover the sugarcane varieties which provide high output and sweetness, and suitable for Buriram plantation area. The sugarcane plantation areas are different according to the landscape types, which is necessary to select proper sugarcane varieties by taking soil condition and upland and lowland into account, leading to the consequential output. Moreover, the development of production, selection and experiment of sugarcane varieties must be conducted together with other approaches to increase production based on academic knowledge and in accordance with the company's development policy. The company

has developed sugarcane varieties in association with Kasetsart University, Khon Kaen University and Department of Agriculture; Ministry of Agriculture and Cooperatives. The company has aimed to apply new sugarcane varieties in every 4-5 years.

6.3 Production Improvement Research and Development

The company has researched to seek the factors generating the increase of sugarcane output by experimenting to find out the proper methods and guidelines for higher and sustainable production, and good sugarcane farmers' living. Moreover, the company has developed innovations with new approaches, experiment, research and selection to increase such production prior to making decisions for using such new approaches and provide to the sugarcane farmers.

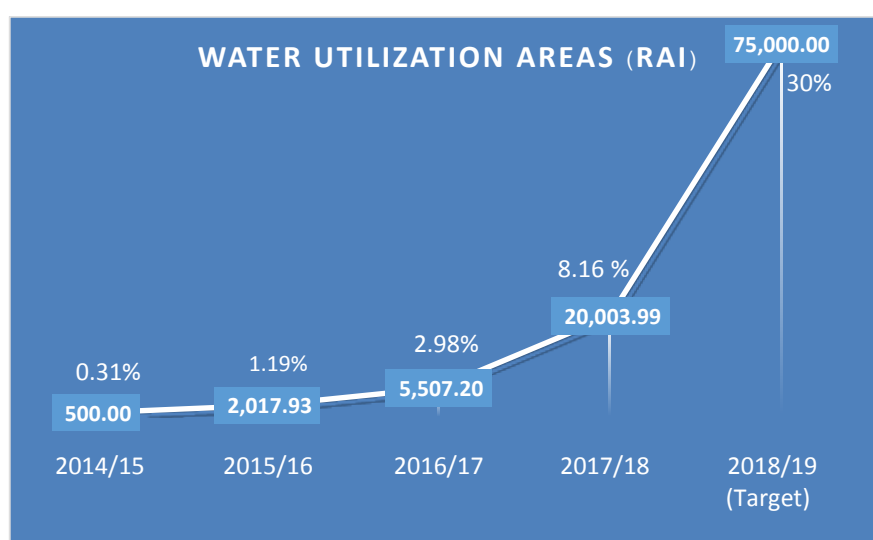
6.4 Soil and Fertilizer Development

The development of soil quality and soil balance is the main factor and foundation of sugarcane production because soil is the material to cultivate sugarcanes, and sugarcane roots can anchor into the soil which contains nutrients. Hence, the company has developed the fertilizer formula suitable for soil condition for planting sugarcanes with the soil analysis information gathered from every representative plantation areas in order to formulate the proper fertilizer for Buriram province. There is also the promotion of fertilizer utilization as targeted with individual plantation area's output because the soil qualification in each sugarcane field is different, which is to be managed on different manner. Sugarcane farmers collect example soils for analysis themselves based on trainings such as pH measurement, separation of soil contents, soil group and so on. The remaining example soils are submitted to the lab of sugarcane office in order to find the proper nutrients, and evaluate the analysis results for production increase in each sugarcane field as targeted. Such results are considered as information base to be further assessed on GIS to ensure the precise and effective management at large. Moreover, the application system has been developed to be disseminated to sugarcane farmers. Then, the sugarcane farmers can use such expert equipment for making decisions as well. Consequently, Key Brand Fertilizers Co., Ltd. can produce fertilizers according to sugarcane output. Currently, there are 2 fertilizer formulas: 18-8-18 and 22-8-18, and such knowledge has been developed and disseminated to sugarcane farmers to recognize the importance of soil development by using organic fertilizers together with chemical fertilizers.

6.5 Water Irrigation System Development and Promotion of Water Use in Sugar Fields

The water use in sugar fields has been developed in every form of management. The water consumption increases every year, and such areas use water more than 8% in 2017/18. The company also

considers the water quality to increase the production for sugarcane farmers because the sugarcane plantation areas in Buriram have no irrigation system, but rainwater only. This is not able to increase the production as planned, so there has to be the promotion and development for water utilization of sugarcane farmers to be appropriate for the areas and water resources, as well as the company provides low-interest loans of the Office of the Cane and Sugar Board, Ministry of Industry. This is an additional option and supports for factors of production, equipment of water system, including underwater drilling for sugarcane farmers who have no their own water resources or ponds in order to solve the drought and increase the production without waiting for rain, which leads to sugarcane production increasing every year.



6.6 Management of Diseases and Pests

In order to achieve the development to increase sugarcane production, the issue of diseases and pests must be well controlled and managed and in due time. This is considered as one of factors affecting the quantity and quality of production. In each year, such sugarcane diseases and pests occur differently according to climate condition and period of time. Therefore, the company has prepared for such matter by establishing the unit for controlling and managing diseases and pests based on the integrated approaches and focusing on discovery to acknowledge the situation and assess such potential damages and ruins. The preventive and control measures have been conducted as appropriate, implementing biological control by using parasite to cease the spreading such pests such as using *cotesia flavipes* to get rid of caterpillars, raising fungus *Metarhizium anisopliae* against longhorn beetles, spreading *Trichoderma* sp. to prevent and eliminate the root rot. Moreover, the company has provided the sugarcane farmers with trainings and built the strong sugarcane farmer network to produce qualified sugarcanes and expand the useful natural pests and fungus. This shall make the sugarcane farmers recognize the importance of plant protection issue, proper

management of their own plantations, and establishment of collaborative network for pest preventive and eliminative practices.

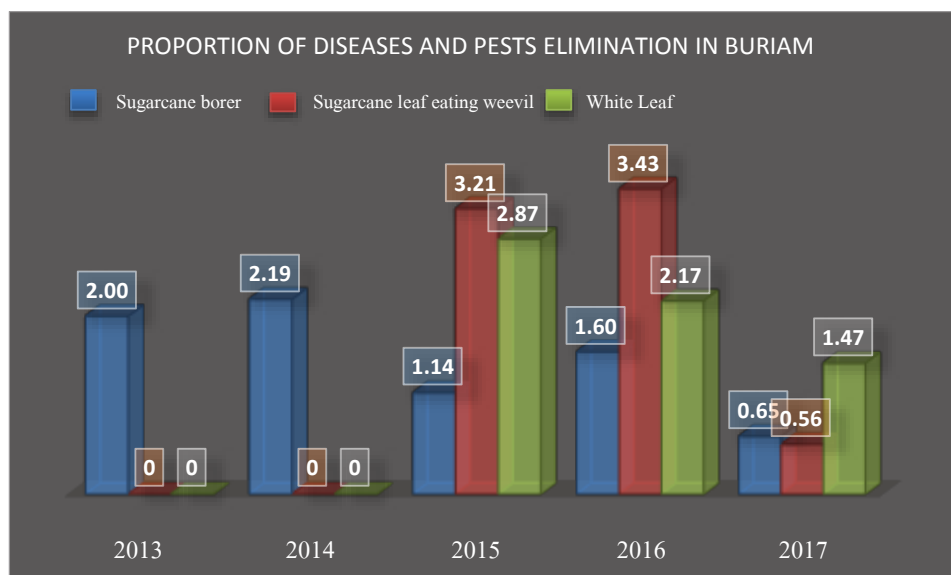
Useful Pests and Fungus to Protect and Eliminate Harmful Pests



Cotesia flaviopes

Metarhizium anisopliae

Trichoderma spp.



Strong Sugarcane Farmer Network Spreading Useful Hornet, Worm, and Fungus



6.7 Technology Transfer

The company has focused on increasing sugarcane production for sugarcane farmers by means of academic knowledge promotion. Thus, it is significant to transfer new technology and innovation for producing qualified sugarcane and enhancing sugarcane farmers' competency, which can be further used for management of the best sugarcane production. Such transfer of new knowledge and innovation had been conducted in 2017 as follows:

6.7.1 Trainings for Increase of Production

➤ Human Resources Development

The company's personnel are the key mechanism to the achievement of sugarcane production with their support and development because they perform duties supervising and monitoring from the stage of sugarcane planting to sugarcane treatment. In order to enhance sugarcane farmers' competency, the company has to provide both sugarcane farmers and its personnel with knowledge and skills relating to sugarcane production. Hence, the personnel can provide suggestions and transfer knowledge to sugarcane farmers. Regarding the increase of knowledge and skills upon the sugarcane production, the company has operated such trainings for its personnel as follow:

1. Basic courses such as sugarcane characteristics, 30 tons/rai trainings project, and trainings for conducting business with goal orientation
2. Intermediate courses such as procedures of sugar production, enhancement of sugarcane farmer network, teamwork implementation, and leadership
3. Advance courses such as advanced coaching skills, soil analysis and utilization, precision agriculture, information base applied for development of production increment

Trainings for Human Resources Development



➤ **Enhancement of Sugarcane Farmers' Competency**

Regarding to enhancement of sugarcane farmers' competency, the company has established the strong sugarcane farmer network in order to provide them with skills, management, development of production increment, and accurate knowledge and understandings for sugarcane production. Moreover, sugarcane farmers have received new knowledge and innovation on a regular basis, which includes various kinds of development practices such as trainings and demonstrations for increasing the production, "Field Day" activity which enables them to understand the actual production process as well as new innovative approaches.

Technology Knowledge on Field day



In addition to trainings, demonstrations and "Field Day" activity, the company has also enhanced the sugarcane farmers' competency with other forms of trainings such as sugarcane leadership, and sugarcane harvesting in order to instill good attitude between the company and sugarcane farmers. This has cultivated the responsible awareness to recognize the importance of their duties and assignments, which leads to the quality and quantity of sugarcane production as targeted.

Sugarcane Leadership Training in 2017





Sugarcane Harvesting Development Training in 2017



6.7.2 Campaign for Sugarcane Development

The company has developed the sugarcane production and procedures, as well as harvesting, which is started from selecting sugarcane varieties providing high sweetness on the harvesting process according to growth phase and types of sugarcanes, harvesting at a proper time in line with the maturity levels and types (sugarcane crushing seasons) to let sugarcanes increase in sucrose content and high quality. Moreover, the company has placed the importance on harvesting the qualified sugarcanes by providing accurate knowledge and understandings of such harvesting procedures, campaigns, and public relations to encourage the sugarcane farmers to comply with. The company also gives awards to sugarcane farmers for the return of taking this importance into account, dedication, and collaboration for the sugarcane development. In addition, the sugarcane farmers are notified the negative consequence of low-qualified sugarcane production, and during harvesting season the sugarcane leaders, harvesters, and those who control harvesting machines are notified with such knowledge as well.

6.8 Public Relations

In addition to various activities to develop and promote the sugarcane production, the company also designates the printing media for public relations, presentation for understanding of activities, and knowledge media in line with the production policy, as well as such media is conducted with academic matter in order to increase knowledge and understandings upon sugarcane production in every dimension.



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7. 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.

8. 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 customers every three months. That information will be used for evaluation of quality, product development, and customer services to ensure that the company's customers can rely on such products and get the best service from the company.

➤ Target Customer and Distribution Channel

BSF distributes sugar to both domestic and international customers, brown sugar for domestic distribution, and primarily raw sugar and bagged 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

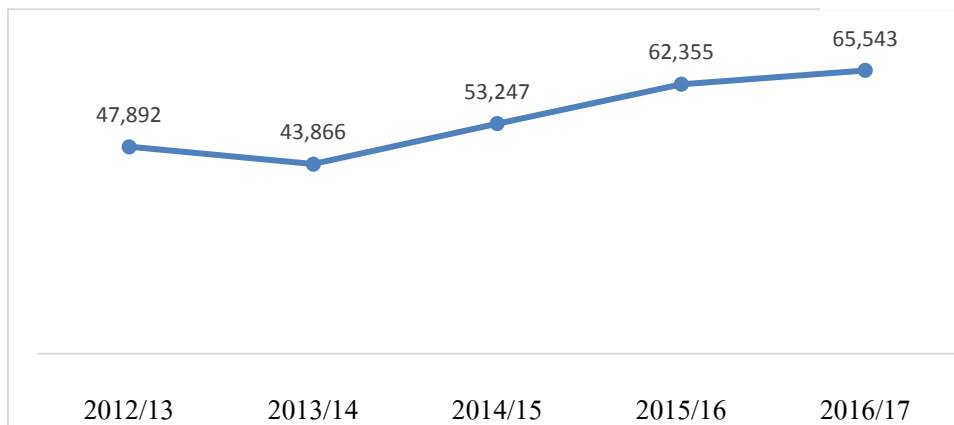
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Domestic Sales</u>						
Brown Sugar	966.06	22.49	1,162.02	24.80	1,144.94	19.42
<u>Export Sales</u>						
White Sugar	-	-	53.29	1.14	6.67	0.11
Raw Sugar	2,094.33	48.75	2,230.29	47.60	3,114.99	52.83
Total	3,072.30	71.51	3,445.60	73.54	4,266.60	72.37

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 2016/17, the allocation of sugar quota A was accounted by 26.5 million sacks or 1,325,000 tons throughout the country. As the results, the allocation of sugar quota A for Buriram Sugar Factory Co., Ltd. ("BSF") was 1,310,856 sacks or 65,543 tons.

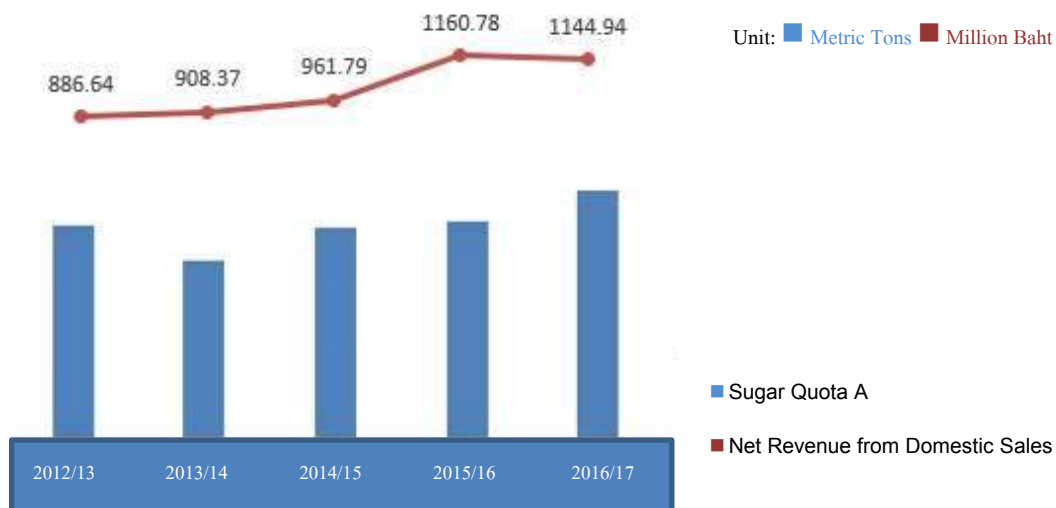
Allocation of Sugar Quota A for BSF

Unit: Metric Tons



According to the graph, BSF has been 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 for 5 Years



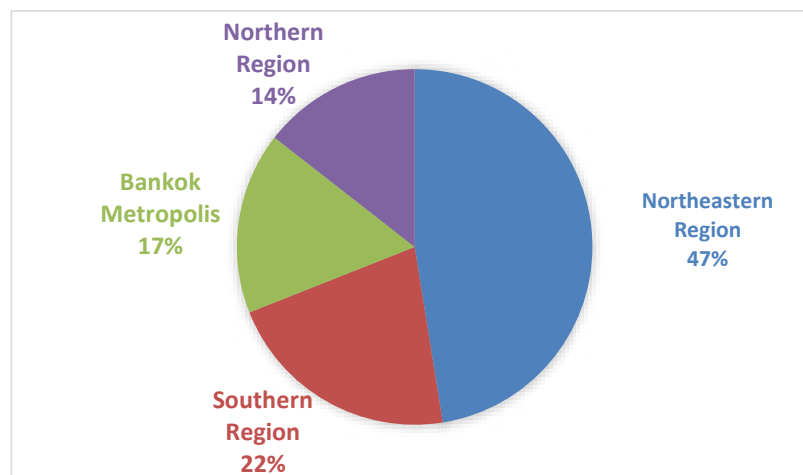
BSF distributes brown sugar to domestic customers via distributors and sells directly to consumers in local community and nearby areas in Buriram and other upcountry provinces and also creates sales through modern trade with the product brand named **“Double Key”**

1.1 Distributors 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 scent 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 the company's sugar.

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 addition, Double Key Brand sells 4 types of packaging size as follow:

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

Furthermore, in 2017, the company planned to produce and distribute premium brown sugar under the brand named “BRUM” which will be available 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 aroma 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 2017, the company participated in the product exhibition such as Healthy Farm at Future Park Rangsit Shopping Mall and Imperial Samrong Shopping Mall, and Buriram Local Products Expo, etc., which received the well-responses from consumers. Hence, in 2018, 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)

Under the current sugar export regime, 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 7 authorized exporting companies. The company has associated with other 19 sugar factories founding. 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, provides necessary documents for export and customs procedures, as well as charges services from BSF’s customers.
- The Thai Sugar Trading Co., Ltd . has signed loan contract for BSF’s 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 lasts approximately 3 months and specifies 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, and so on, which have good financial position. Thus, 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 the Central Committee on the Price of Goods and Services set sugar price for retail in accordance with the notification on prices of goods and services No.21/2017. The announcement of the Central Committee on the Price of Goods and Services on January 24, 2017 has determined sugar price for each delivering place and selling area as follows:

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

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

- Wholesale price (including sac and distribution at 6 sacs or more than 300 kilograms) delivering at wholesalers' stores in every area of Thailand

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

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

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

If there's separation of sugar to 1 kilogram package, price of the package cannot exceed 0.70 Baht per kilogram and 0.75 Baht per kilogram for wholesale and retail distribution respectively, for example, selling price of refined sugar in 1-kilogram package in Bangkok equals to $22.85 + 0.75 = 23.60$ Baht, and 23.50 Baht in other areas.

Source: The notification of Central Committee on the Price of Goods and Services, 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. Thus, Thai Cane and Sugar Co., Ltd. is the organization that decides 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 has set policy on international sugar selling price based on world market, for example, forward contract of New York Sugar No.11 and London Sugar No.5.

2.4 Market and Competition

1) Overview

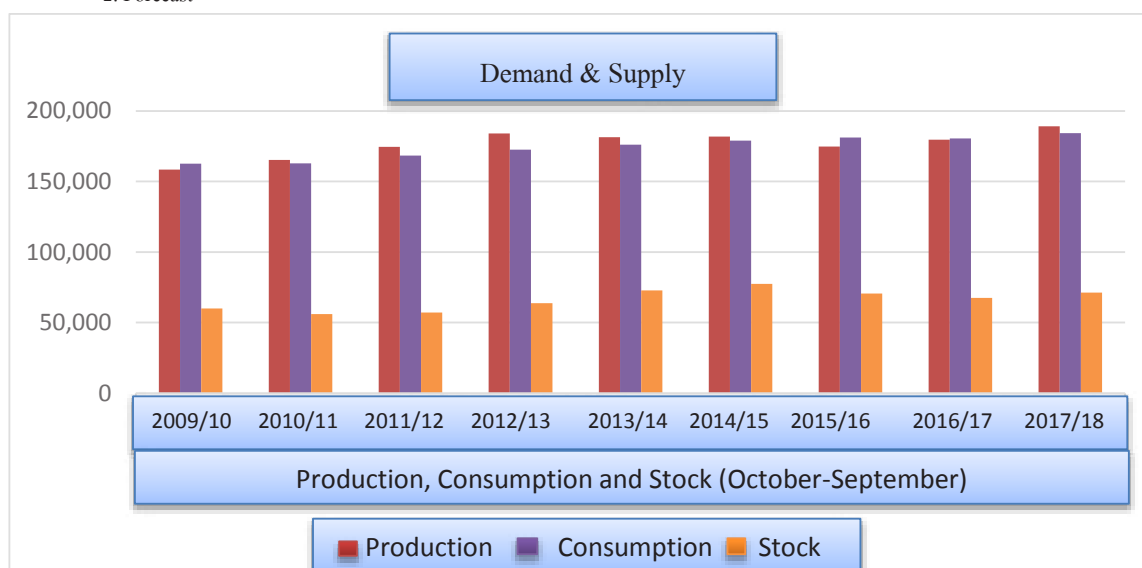
1.1) World's Sugar Demand and Supply

Unit: million MT¹

	Production, Consumption and Stock (September - October)								
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 ²
Production	158,451	165,201	174,575	184,098	181,347	181,729	174,672	179,594	189,168
Consumption	162,567	162,774	168,425	172,461	175,997	178,851	181,050	180,548	184,231
Stock	60,048	55,951	57,130	63,684	72,787	77,491	70,613	67,442	71,309

Source: World Sugar Balances 2008/09 – 2017/18 F.O. Lieth's International Sugar and Sweetener Report, 20.12.2017

Notes
1. Metric ton raw value
2. Forecast



For the 2016/17 crop year, global sugar output had started to increase as the result of higher production from the major producers recovering from the climate crisis. Then, the increasing sugar production had put pressure on world sugar price.

1.2) World Sugar Industry

Unit: million MT¹

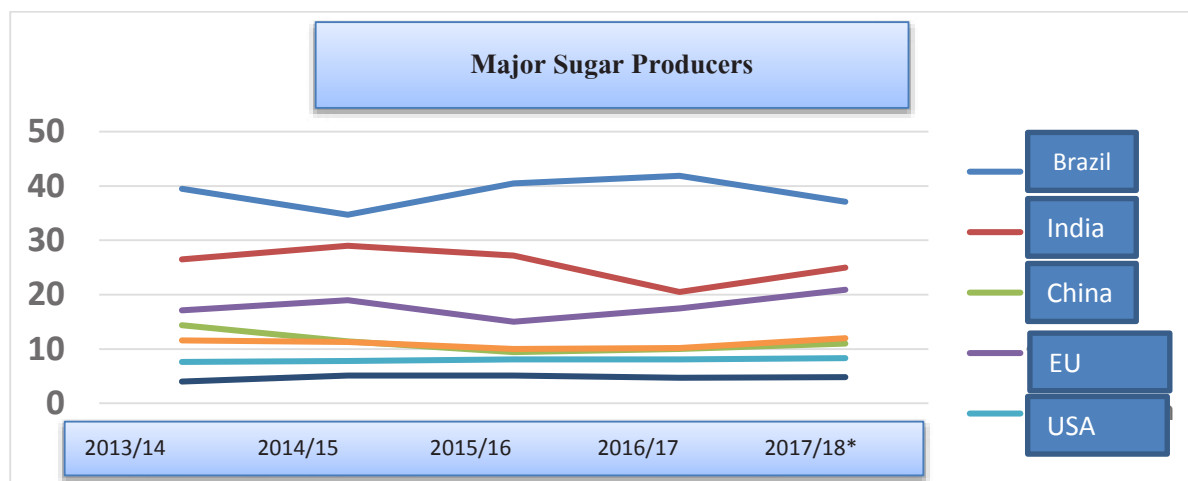
Major Sugar Producers	Sugar Production (September - October)				
	2013/14	2014/15	2015/16	2016/17	2017/18 ²
Brazil	39.5	34.7	40.5	41.9	37.1
India	26.5	29.0	27.2	20.5	25
China	14.4	11.4	9.45	10	11
European Union	17.1	19.0	15.0	17.5	20.9
USA	7.6	7.8	8.08	8.12	8.3
Thailand	11.6	11.3	10	10.2	12
Australia	4.0	5.1	5.12	4.7	4.8

Source: 1. World Sugar Balances 2008/09 – 2017/18 F.O. Lich's International Sugar and Sweetener Report, 20.12.2017

2. India Sugar Millers Association (ISMA)

3. Office of Cane and Sugar Board, Thailand

Notes 1. Metric ton raw value 2. Forecast



Production in most major sugar producers was lower due to El Nino effect, especially in India where sugar production in 2015/16 was 27.2 million tons, but dropped to around 20 million tons in 2016/17. Thus, India had to import round 800,000 tons to feed its domestic market, which was the first import in a very long time. However, production in other major producers like China and European Union has gradually recovered from weather's effect. In term of world sugar price, New York No. 11 rose to 20.39 cent/pound in February 2017 as a result of the concern on world sugar balance from the end of year 2016 to the

beginning of year 2017. Nevertheless, sugar price dropped to the lowest point at 13.51 cent/pound in the end of June 2017 due to the concern over the surplus of sugar and since sugar price had been moving at 14-15 cent/pound until the end of the year.

1.3) Key Consumption Countries

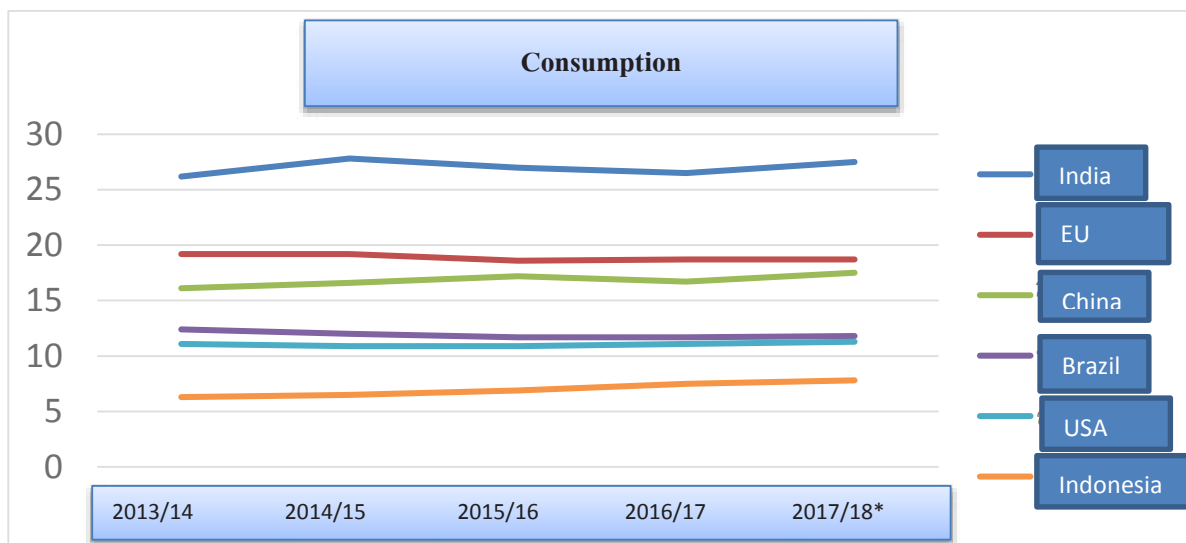
Unit: million MT¹

Countries	Consumption (September - October)				
	2013/14	2014/15	2015/16	2016/17	2017/18 ²
India	2.26	8.27	27	5.26	5.27
European Union	19.2	2.19	18.6	7.18	7.18
China	1.16	6.16	2.17	7.16	5.17
Brazil	4.12	12	7.11	7.11	8.11
USA	1.11	9.10	9.10	11.1	11.3
Indonesia	3.6	5.6	9.6	5.7	8.7

Source: 1. World Sugar Balances 2008/09 – 2017/18 F.O. Licht's International Sugar and Sweetener Report, 20.12.2017

2. Office of Cane and Sugar Board, Thailand

Notes 1. Metric ton raw value 2. Forecast



India had retained its status as the world number one sugar consuming nation amid the notion that its demand will increase by one million ton in 2017/18 crop year. Sugar demand in China is also expected to grow due to its improving living standard. For the world sugar consumption in 2017/18, F.O. Licht expects the figure at 180 million tons, while International Sugar Organization (ISO) forecasts at approximately 174 million tons and the consumption growth at 1.77% or over 5 years average of 1.68%.

Most developing countries especially in Africa, Asia, Middle East and Caribbean are experiencing sugar consumption growth, while the growth in developed countries is mostly stable.

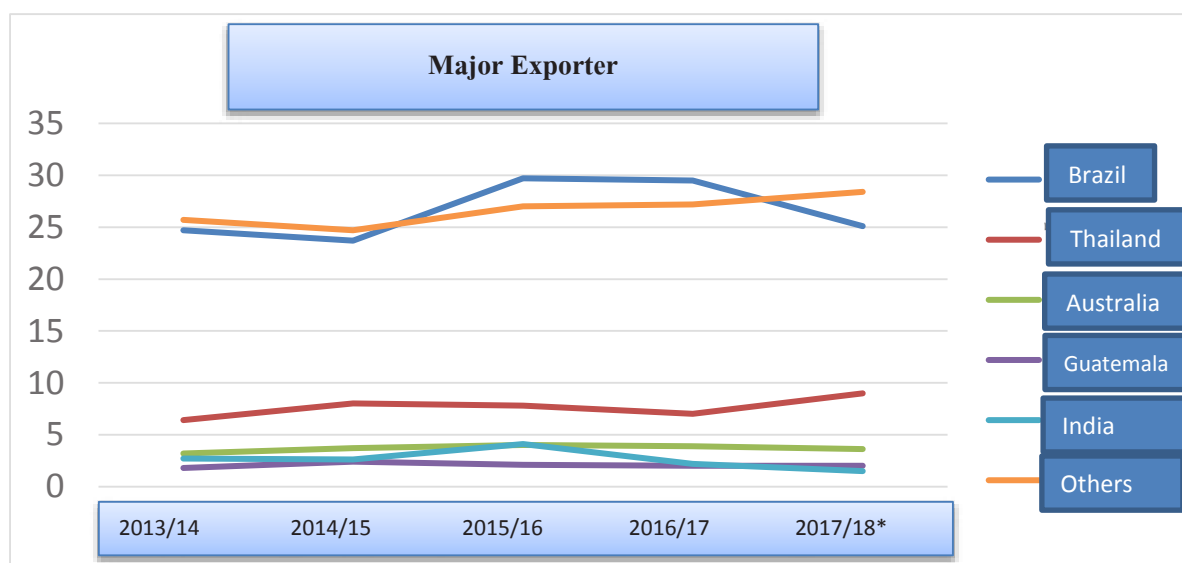
1.4) Major Exporting Countries

Unit: million MT¹

Major Exporters	Volumes (September - October)				
	2013/14	2014/15	2015/16	2016/17	2017/18 ²
Brazil	7.24	7.23	7.29	5.29	1.25
Thailand	4.6	8	7.8	7	7.9
Australia	2.3	7.3	4	9.3	6.3
Guatemala	8.1	4.2	1.2	2	2
India	7.2	6.2	1.4	2.2	1.5
Others	7.25	24.7	27	27.2	28.4

Source: 1. World Sugar Balances 2008-09 – 2016/17 F.O. Lich's International Sugar and Sweetener Report, 20.12.2017

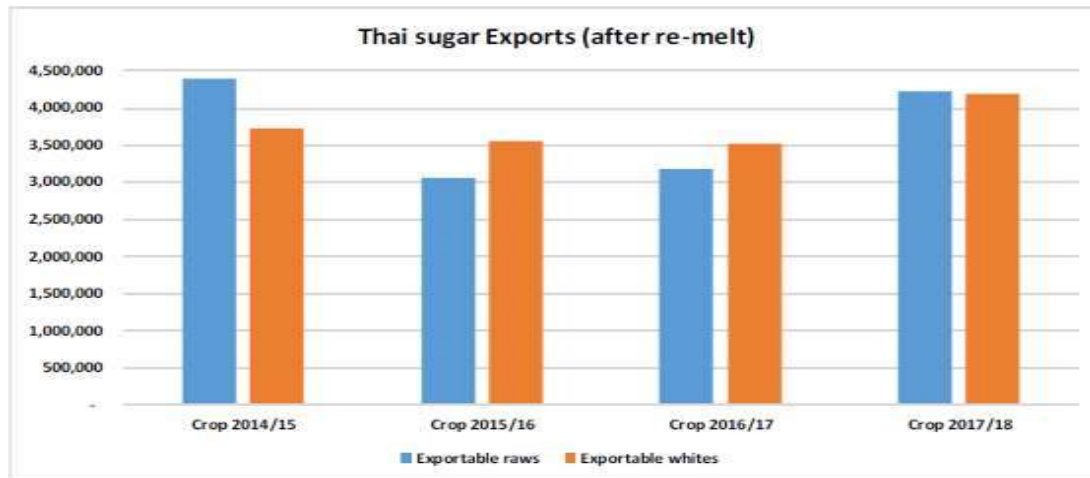
Notes 1. Metric ton raw value 2. Forecast



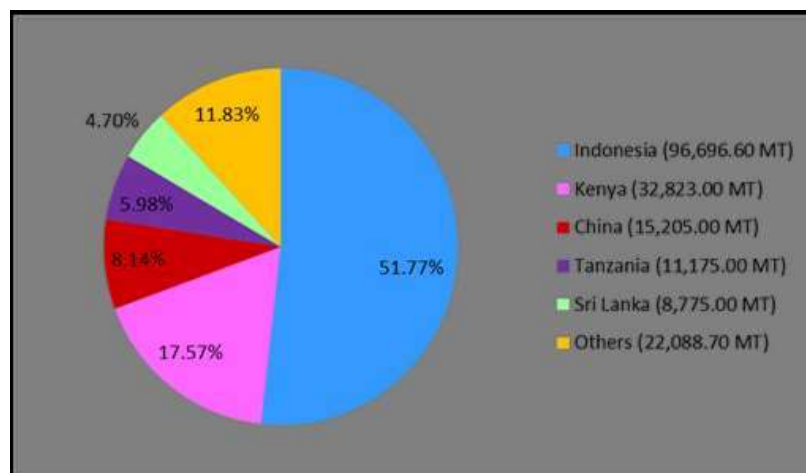
Major Sugar Exporters

Thailand's sugar export volumes were approximately 7 million tons. The main export market was within Asia due to its advantage on location compared to competitor - Brazil. In 2017, Thai's main sugar markets were Indonesia, Taiwan, Cambodia, Myanmar, China, and Japan.

Thailand's Sugar Exports' Volumes



In 2017, the company shipped totally 185,000 tons to overseas markets, namely Indonesia, Kenya, China, Tanzania, and Sri Lanka.



1.5) Major Importing Countries

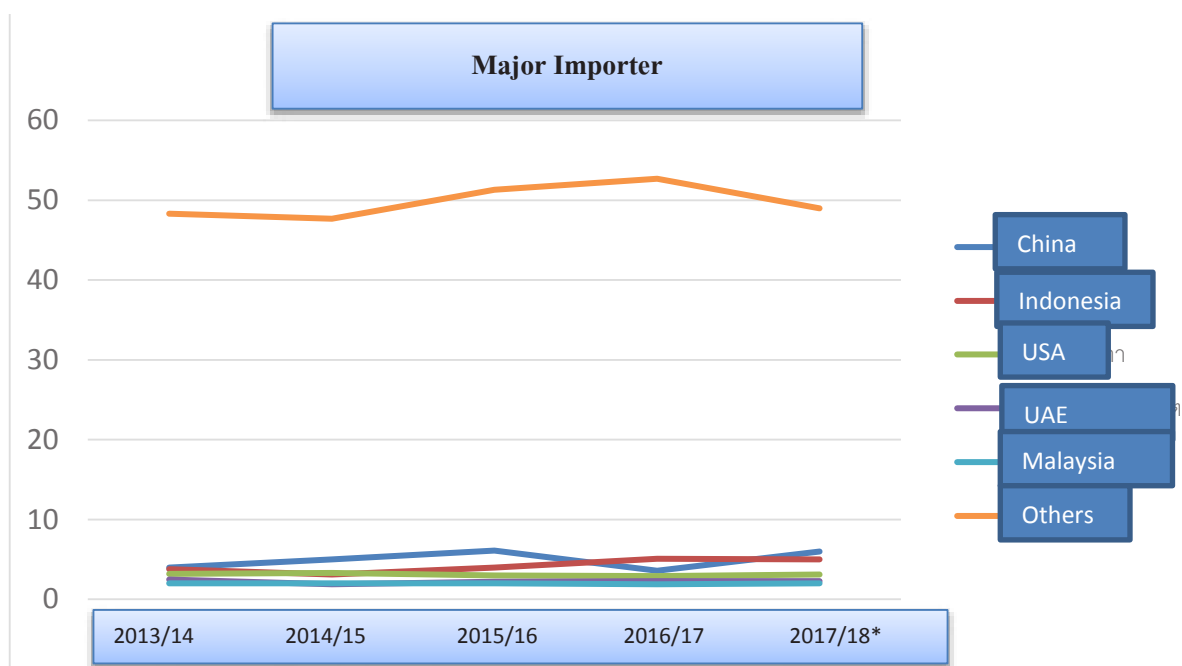
Unit: million MT¹

Major Importers	Volumes (September - October)				
	2013/14	2014/15	2015/16	2016/17	2017/18 ²
China	4	5	6.1	3.6	6
Indonesia	3.8	3.1	4	1.5	5
USA	2.3	3.3	3	9.2	3.1
UAE	5.2	9.1	2.2	2.3	3.2
Malaysia	2	2	2	1.9	2
Others	48.3	47.7	51.3	52.7	49

Source: 1. World Sugar Balances 2008-09 – 2017/18 F.O. Licth's International Sugar and Sweetener Report, 20.12.2017

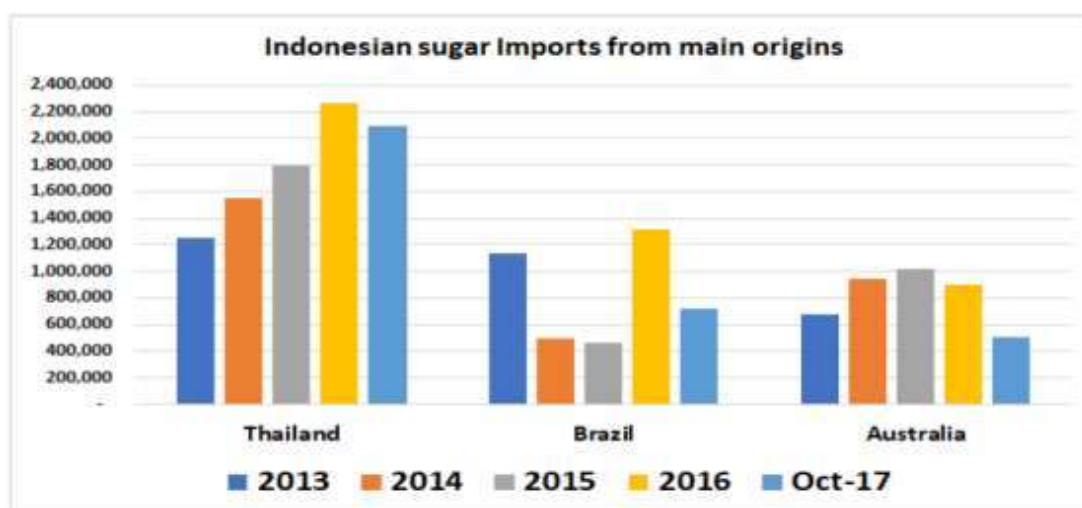
2. Office of Cane and Sugar Board, Thailand

Notes 1. Metric ton raw value 2. Forecast



Forecast

In 2017, China ranked first in term of sugar consumption at around 17 million tons annually, while it could produce around 10 million tons. For Indonesia, the annual sugar demand was at 6 million tons but could produce 2 million tons and had to import around 4 million tons. Despite the Indonesian government had initiated Self-Sufficiency policy to produce enough sugar for domestic consumption, the policy has yet materialized. Among suppliers of sugar to Indonesian market were Thailand, Brazil and Australia.



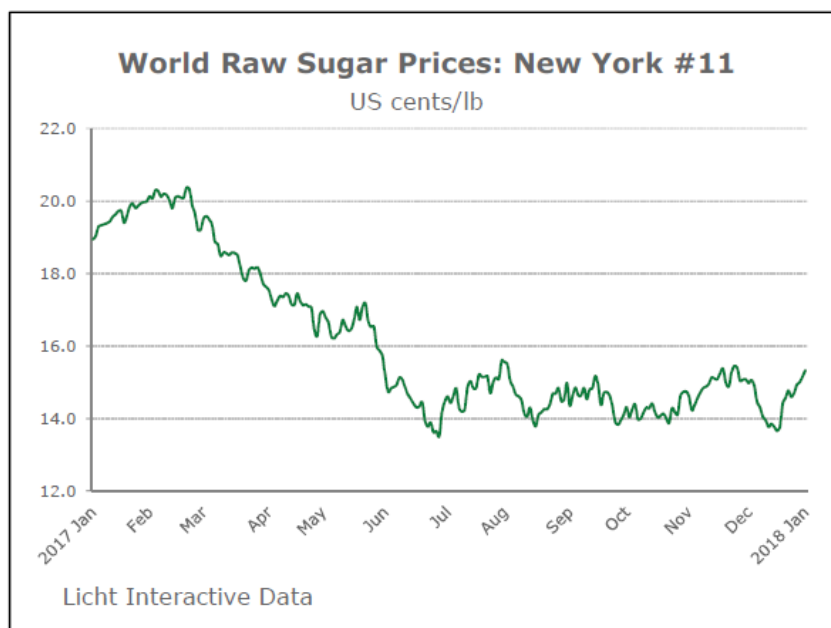
This demonstrates that Thailand has comparative advantage over other competitors in Asia especially in ASEAN due to its privileged in term of tariff preferential rate under ASEAN Free Trade Area or AFTA whose name was changed to ASEAN Trade in Goods Agreement or ATIGA. However, in September 2017, the free trade agreement has been concluded between Indonesia and Australia permitting

Australian's sugar the same tariff rate at 5% as Thai sugar, formerly charged Australian's sugar at 8 – 13%. This could lead to fiercer competition for Thai sugar in this major importing market.

United Arab Emirates and Malaysia imported sugar at over 2 million tons a year to feed their gigantic sugar refining industries.

Analysis

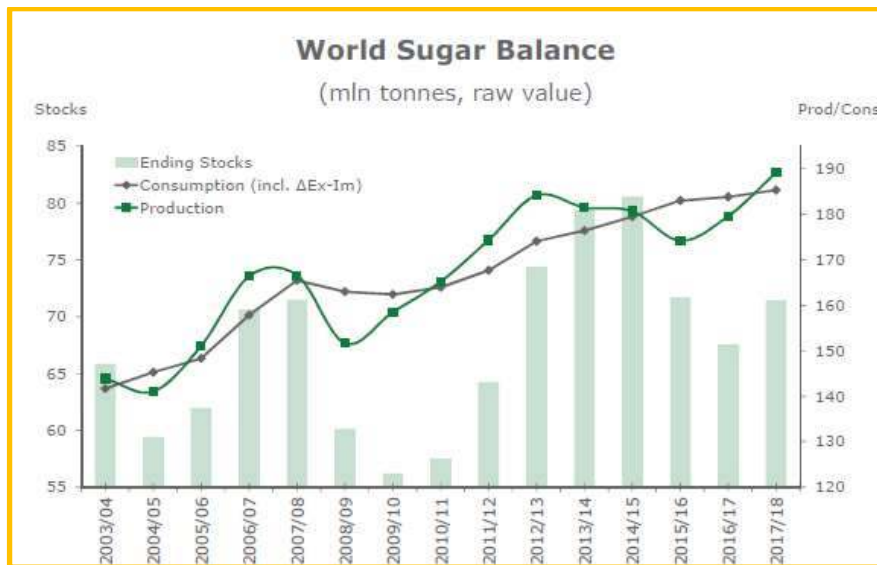
1) 2017 was a highly fluctuated year for sugar market due to it's the interval between sugar deficit (2016) and surplus (2017) at the level that the sugar deficit didn't really affect world price. India was the main factor for world price moving as sugar traders expected that India would import at high volumes due to its affected from drought. However, India surprised the sugar world by managing its domestic demand via tax and stock policies. While the market started to absorb the news on improving weather condition in several major sugar producing countries during the second half of the year, hence sugar production was beginning to recover putting pressure on sugar price from over 20 cent/pound in February to 13 cent/pound in June before gradually rose to over 15 cent/pound in December. Thus, the average price for NY No. 11 in 2017 was around 16 cent/pound.



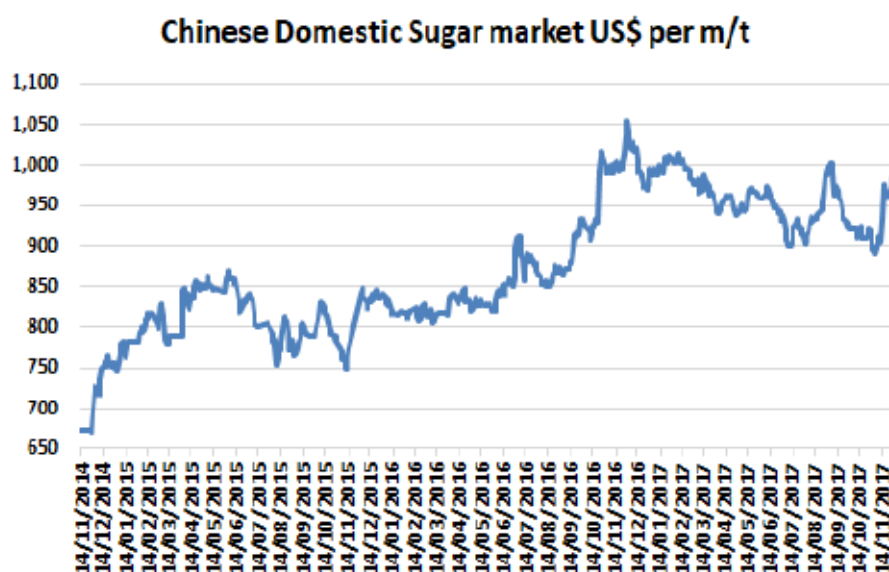
Source: F.O. Licht's International Sugar & Sweetener Report, Vol. 150 No. 1, January 3, 2018

Regarding the forecast from several sugar research houses and sugar traders, the excess of global sugar production in 2018 is expected around 5-8 million tons due to normal climate conditions of major sugar producers couple with the acreage expansion in India, European Union, and Thailand. While the sugar production of Russia and Pakistan is also expected to increase so that they can export the remaining sugar.

Global Supply – Demand



2) With the status of the world number one sugar import, China's policy changing is the significant factor influencing global sugar price. In 2016, China imported 6 million tons of sugar, while in 2017 the number decreased to 4.5 million tons due to its enforcing Safe Guard measure in May 2017 raising out of quota tariff for sugar from 50% to 95% targeting three major sugar exporters – Brazil, Thai and Australia. In 2018, though China's sugar production is expected to reach 10 million tons, the demand still stays at 15 million tons, therefore import figure is forecasted to be around 5 million tons. These make China a significant factor for the moving of world sugar price, especially refined sugar. In 2017, the retail refined sugar price in China was moving between 28,000 to 32,000 Baht/ton or around 28 to 32 Baht/Kg.



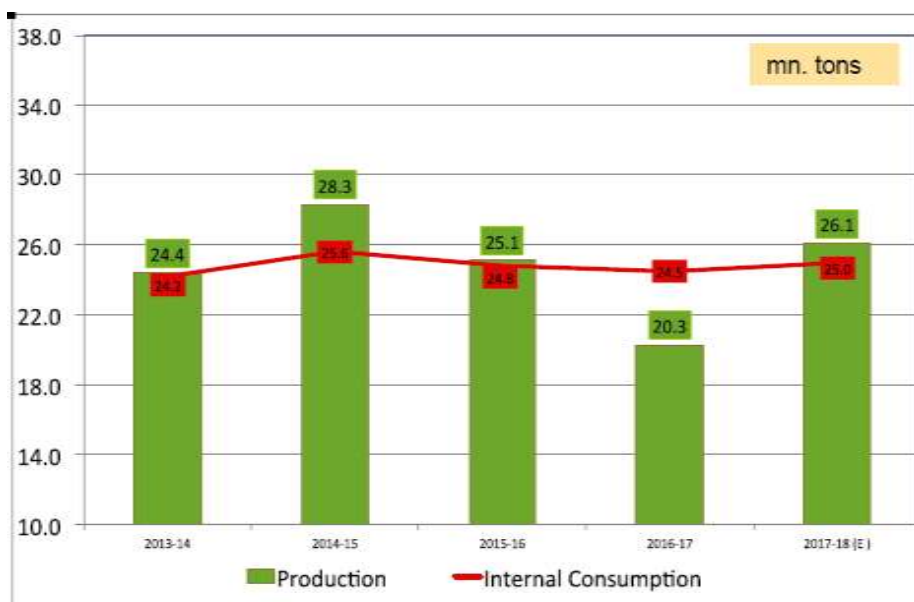
Source: AP Commodities

3) It can be said that Brazil, the world number one sugar producer and exporter, movement on policy, business, politics and weather poses high influential towards the direction of world sugar price. In 2017/18 crop year, Brazil started the crushing year with strong capacities and sugar content and has crushed up until middle of January 2018 (Brazil's crushing period starts from April to March of the following year depending on weather condition and cane volumes) 583 million tons of cane with sugar production of 35.8 million tons and ethanol at 25,265 million liters, with sugar : ethanol ratio at 46.92 : 53.08. The ratio of sugar : ethanol production has increased in favor of ethanol in the later part of the crushing period due to ethanol better return. In August 2017, Brazilian government raised tariff for imported ethanol in excess of 600 million liters per annual at 20% to protect domestic market resulted in higher volumes of ethanol compared to sugar and better sugar price for a short period. It is expected that Brazil will end 2017/18 crop year with the 595 million tons cane crushed, 36 million tons of sugar and 26,700 million liters of ethanol produced.

On the longer trend, factor that could benefit world sugar price is RenovaBio bill or national renewable energy policy which passed Brazilian Senate and signed by President Michel Temer on December 2017. RenovaBio aims to increase the use of renewable energy both ethanol and bio-diesel to reduce the emission of green house gas. Brazilian ethanol industry expects the bill would double ethanol demand within 10 years. Under this law, proportion of ethanol uses is set from 2020 to 2030.

From perspective of analysts, Brazil's cane volumes in 2018 may slightly decrease due to weather and cane age. It is expected that cane volumes will stay at 585 million tons and sugar production ratio would lower from 46.9% to 44.5% from better ethanol return resulted in 3 million tons lower sugar production.

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, which are the important sugar plantation areas. Sugar production was initially projected at 23.5 million tons but India was able to produce just 20 million tons, while the domestic stock was also depleting, India has to import 800,000 tons, which was lower than the market anticipated. In 2017/18 crop year, the Indian Sugar Mills Association or ISMA expects the sugar production would reach 26 million tons while analysts expects 27 million tons, and there is a possibly that India might export sugar.



Source: Indian Sugar Mills Association (ISMA)

5) The European Union or EU has returned to the sugar market after the abolishment of sugar production quotas since October 1st, 2017. During the previous years until the end of such quotas, key EU sugar producing countries, such as France, Germany, and the United Kingdom has expanded beet planting areas together with variety development and factories' efficiency improvement to reduce production cost. It is expected that EU production would increase from 2017 at 16 million tons to 20 million tons in 2018. The sugar consumption is expected at approximately 17.5 million tons, and the white sugar volumes exported by EU into the global sugar market around 3.5 million tons in 2018. The main sugar markets of EU are in Middle East and Africa. Thus, EU's return increases the white sugar supply in the global market, and has put pressure on the white premium.

Thai and the Sugar World

Thailand is Asia and ASEAN's number one exporting nation and the second in the world after the gigantic Brazil. Thai has strategic advantage over other competitors – Brazil and Australia – on its location in Asia where sugar demand surpasses supply by 10 million ton per annual. It is expected that by 2020, demand – supply gap will hit 15 million tons.

Major Export Markets for Thai Sugar

2.1) Export Markets and Volumes (January – December)

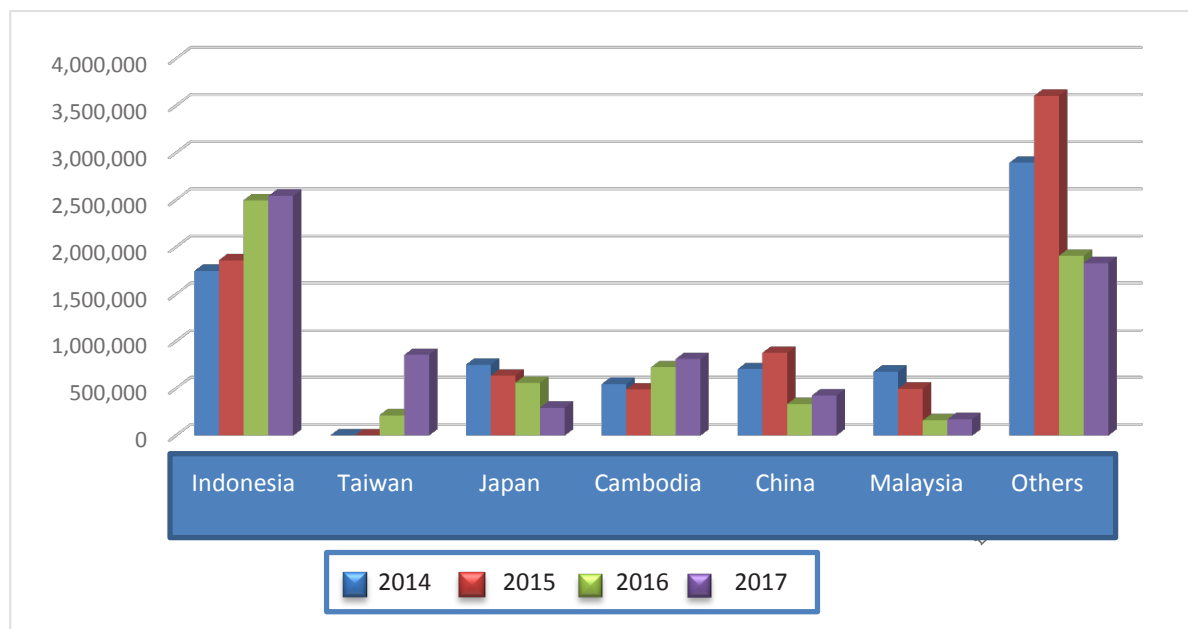
Unit: Metric Ton

Countries	Export Volumes			
	2014	2015	2016	2017
Indonesia	1,746,594	1,861,232	2,498,071	2,542,934
Taiwan	n/a	n/a	216,273	855,246
Japan	752,211	634,719	560,476	296,414
Cambodia	546,950	490,904	724,398	813,462
China	704,382	876,871	332,986	423,319
Malaysia	676,875	497,805	161,345	172,844
Others	2,894,563	3,604,974	1,906,108	1,831,754
Total	7,321,575	7,966,505	6,399,657	6,935,373

Sources: 1. Office of Cane and Sugar Board, Thailand
2. Thai Sugar Millers Corporation Limited
3. The Thai Sugar Trading Co., Ltd.

Major Export Markets for Thai Sugar

Unit: Metric Ton



2.2) Domestic Sugar

Thailand's cane and sugar industry is governed by the Cane and Sugar Act B.E. 2527 which specifies the Office of Cane and Sugar Board to determine the sugar volumes for domestic sales. The Office of Cane and Sugar Board estimates the domestic sugar consumption each year, and imposing the quotas to

monitor sugar factories and distributors. The sugar domestic price is controlled under the Prices of Goods and Services Act B.E. 2542 by the Ministry of Commerce launching the announcement on the domestic sugar price.

In 2016/17 crop year, there are 54 sugar mills with the cane crushing capacity of 120 million tons per year, and generating sugar production of 10 million tons. The cane crushing season is starting from November to April of the next year.

Thai Sugar Mills at the crop year ended 2015/16

Group	No. of Factory (s)	Sugar (Metric Ton)	Market Share (%)
Mitr Phol	6	1,974,953	19.69
Thai Roong Ruang	9	1,577,593	15.73
Thai Identity	3	938,393	9.36
KSL	5	724,146	7.22
Chonburi Sugar	4	543,305	5.42
Korach Sugar	2	489,910	4.88
Ban Pong Sugar	2	440,325	4.39
Wangkanai	4	385,236	3.84
Kumphawapi	2	282,580	2.82
Thai Kanchanaburi	2	271,121	2.70
Buriram Sugar Factory	1	251,696	2.51
Mitr Kaset	2	225,722	2.25
Rayong Sugar	2	101,777	1.01
Others	10	1,823,340	18.18
Total	54	10,030,097	100

Source: Thai Sugar Millers Corporation Limited

6) In April 2016, Brazil launched a complaint against Thailand at the World Trade Organization (WTO) for its subsidy policies for the export sugar, which has impacted on world sugar price and Brazil as a major sugar exporter. Brazil claimed that Thai sugarcane and sugar system, laws and resolutions of related boards in non-compliance with the WTO commitments. In this regard, the Thai Cabinet had a resolution on October 11, 2016 to reform the overall structural system of the sugarcane and sugar industry as follows:

1. The Cane and Sugar Act, including other legal requirements and related regulations are reformed to cover the sugarcane ethanol production and other byproduct for the purpose of value addition to sugarcane and sugar, and in compliance with the agreements of WTO, AFTA, and international sugar regime.

2. The sugarcane and sugar productivity are increased to achieve the incremental efficiency for sugarcane and sugar production, and other continuing downstream production.

3. To settle sugar standard and the standard cost of sugarcane and sugar production to set the standard for sugar production for sugar factories which is effective in the crop year 2016/17, and aim to specify the cost standard calculation for sugarcane and sugar as appropriate in each area based on the acceptable and fair practices toward the sugarcane and sugar industrial system, as well as specify the standard cost for ethanol and other sugarcane-related products.

4. The Cane and Sugar Fund is to be stabilized in order to enable the fund to manage assets or funds, solve a problem, and beneficial to the development of sugarcane and sugar industry, including maintaining the stability of sugarcane and sugar.

5. The continuity of establishing sugarcane and sugar research institute and development and the continuous downstream industries to enhance the long-term potential and competency as a competitive advantage.

Recent status, on December 4, 2017, the Thai Cabinet had a resolution to specify the management principles for the cane and sugar industry, as well as to prepare 1 draft announcement of the Office of the Cane and Sugar Board, and 3 draft regulations of the Office of the Cane and Sugar Board, totaling 4 letters as proposed by the Ministry of Industry as follows:

1. The announcement of the Office of the Cane and Sugar Board upon criteria, and preparation of revenue projection, specification and payment of sugarcane price and sugar production cost, and revenue sharing system between sugarcane farmers and sugar mills.

2. The regulations of the Office of the Cane and Sugar Board upon production, containing, storage, warehouse, observation, transportation, delivering, and selling sugar.

3. The regulations of the Office of the Cane and Sugar Board upon criteria, measure, and condition relating to sugar export permission.

4. The regulations of the Office of the Cane and Sugar Board upon criteria, measure, and condition relating to manage the revenue from sugar sales in Thailand to be allocated to the Cane and Sugar Fund.

Thus, the significant change is the cancellation of specification on domestic sugar price, and the abolition of sugar quota system to be in compliance with the trade obligation and agreement. However, after the Thai Cabinet's resolution on December 4, 2017, the relevant parties of the sugarcane and sugar industry, continuing downstream production using sugar as a raw material, consumers, and sugar traders both domestic and abroad are waiting for a clear legal announcement in the Royal Thai Government Gazette which is to be counted as the effective date of new Thai sugarcane and sugar reformation.

(3) By-Product Business

3.1 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, 2016 Good Governance Business Group Award in the provincial level. Moreover, the company received the Green Industry Level 2 (Green Activity) and Green Industry Level 3 (Green system).

In 2017, the company received 2 awards; that is, the first-runner up award for the alternative energy of the cogeneration project (Buriram Energy Project) in the event of Thailand Energy Awards 2017 by the Department of Alternative Energy Development and Efficiency, the Minister of the Ministry of Energy, and the company was nominated from the Thailand Energy Awards 2017 to be a representative of Thailand for the event of ASEAN Energy Awards 2017 in Philippines where the company received the winner award on the cogeneration category.

First-runner up Award

Thailand Energy Awards 2017



Winner Award

ASEAN Energy Awards 2017



3.1.1 Products and Services

Buriram Sugar Group has operated its businesses by producing biomass power and the company has installed the production capacity of 9.9 MW that is the Very Small Power Producer (“VSPP”), using bagasse derived from sugar production process as the main fuel, and also cane leaves, chopped woods, and rice husk as the raw materials to generate the electricity. There are 3 biomass power plants of BSG as below:

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

1. Buriram Energy Co., Ltd. (“BEC”)

BEC is the first biomass power plant of BSG which has installed the production capacity of 9.9 MW. The company sells the electricity to the Provincial Electricity Authority (PEA) at 8 MW and uses 1.9 MW within the factory. 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%.

2. Buriram Power Co., Ltd. (“BPC”)

BPC registered and operated its company in the year 2011. At present, the BEC holds its shares at 99.99%. BPC is the second biomass power plant of BSG which has installed the production capacity of 9.9 MW. BPC sells the electricity to the Provincial Electricity Authority (PEA) at 8 MW in the FiT system on April 2015, and uses 1.9 MW within the factory.

Details of Power Purchase Agreement between BEC, BPC and PEA

Company	BEC	BPC
Agreement No.	VSPP-PEA 044/2554	VSPP-PEA 008/2556
Agreement Date	December 30, 2011	April 4, 2013
Commercial Operation Date (“COD”)	May 11, 2012	April 7, 2015
Capacity	The 8 megawatts of the maximum power quantity at 22,000 volts	
Validity	5 years and automatically extend for additional 5 years (FiT Agreement remaining 11 years/ PPA Expire on August 10, 2028)	20 years from the start of COD (FiT Agreement remaining 18 years/ PPA Expire on April 6, 2035)
Selling Price in FiT System	4.54 Baht/Unit	4.54 Baht/Unit

3. Buriram Power Plus Co., Ltd. (“BPP”)

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

The 3 power plants are located nearby Buriam Sugar Factory Co., Ltd., therefore it is convenient for transportation of bagasse derived from the sugar production process to be used as fuel, which helps reduce the cost of transportation of raw materials, and facilitate the generation of electricity and steam to the sugar factory.

3.1.2 Market and Competition

➤ Competitive Strategy

Lower Production Costs and Efficient Resource Management

BEC, BPC and BPP generate electricity from biomass fuel: bagasse, a by-product derived from sugar production process of BSF, one part of the electricity generated including high pressure steam and low pressure steam from cogeneration system, which will be sent back to use in the sugar factory and another part of electricity generation will be sold to the Provincial Electricity Authority. Thus, the utilization

of bagasse is to increase the value of the renewable energy from the electrical production. It is the efficiency of resourcing management and maximum benefit.

In addition, the 3 power plants are located nearby BSG's sugar factory where the raw materials sold; therefore, the company uses a conveyor system to deliver the bagasse to keep in fuel storage building in the power plants. As the results, the company can save time and logistic transportation cost in the same time.

Responsibility for Community, Society and Environment

The commitment of the power plant business is able to get along with the community and society sustainably and also can run the business smoothly; therefore: the power plant group emphasizes environmental conservation as the first priority. 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 awards with the more details in this annual report in the Attachment 11: Awards and Quality Certifications. All of the awards and certificates prove that the BSG is aware of, and takes this commitment seriously.

➤ Customer Features and Trading Channels

BEC and BPC have an installed electricity capacity total of 19.8 megawatts . The 16 megawatts of the electricity generation will be sold to the only one customer, the Provincial Electricity Authority, under the power purchase agreement on December 30, 2011 and April 4, 2013 respectively, while the remaining 3.8 megawatts will be reserved for the operations within the BSG . BPP generates and distributes electricity to support the sugar factory's production. The maximum capacity is 7 megawatts; meanwhile, the production shall produce the high-pressure and low-pressure steam by approximately 20 tons which shall be purchased by the sugar factory 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 to the Provincial Electricity Authority referred 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.

3.1.3 Industry Situation and Competition

In the past, both the government and the relevant sectors 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. Besides, all of the raw materials used in the electric production are low-cos. The support of the renewable energy can reduce the reliance on electricity from commercial power, which can reduce the cost of importing fuel from abroad, reduce the environmental impact, and help lessen the financial burden of the governmental investment in the electricity generation and distribution system.

In 2017, there were 2,048 projects of the biomass power plant for VSPP type in Thailand. There were 620 projects in the Northeast. In this number, there were 212 projects for on the power generation on the commercial operations (COD). The total installed capacity was 1,167.619 MW., and the total sales quantity under the power purchase agreements was 855.850 MW.

2017 Status and VSPP Biomass Power Plants in Thailand

Status	VSPP Biomass Power Plant		
	No. of Project (s)	Installed Capacity (MW)	Contracted Sales Quantity (MW)
Submit a request but not receive any responding	31	131.520	131.120
Already received the respond but not sign PPA yet	7	29.250	29.250
Already signed PPA but not COD	84	475.516	389.350
Already COD	902	4,829.376	3,601.542
Cancelled purchases	132	419.410	370.894
Cancelled requests	264	1,355.753	1,111.729
Cancelled agreements	628	3,811.699	3,139.086
Projects under trial	0	0	0
Project under appeal	0	0	0
Total	2,048	11,052.524	8,772.971

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) 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) 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 2036
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 19,634.40 MW.

For the electricity demand forecast, which was used in the preparation of the PDP 2015, 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 2017 according to the economic forecast expected that Gross Domestic Product (GDP) is going to grow 3.1% that will affect the maximum electrical demand at 30,303.4 MW.

Maximum Electricity Demand



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

The maximum power demand of the running system of December occurred on December 13, 2017, at 18.37 p.m., which was equal to 26,553.70 MW that it was decreased by 195.70 MW or equivalent to 0.73% comparing to the previous month. The maximum power demand of the running system occurring on May 11, 2016, at 22.28 p.m. was 29,618.80 MW.

3.1.4 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 BSG 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 BSG estimates the quantity of sugar canes that are going to be crushed is 2.9 million and 3.1 million tons in the crop year of 2017/18 and 2018/19 respectively. The quantity of bagasse is enough for being used as a fuel to generate electricity with full production capacity.

3.1.5 Future Plan

There was a resolution to set up the Buriram Sugar Group Power Plant Infrastructure Fund (BRRGIF) by the Securities and Exchange Commission on August 1, 2017, and offering of investment units totaling of 350 Million Units with the last offering price and par value per unit by 10.30 Baht. The amount of first offering of investment units was equivalent to 3,605 Million Bath, and such infrastructure fund trading in the Stock Exchange of Thailand was firstly operated on August 7, 2017. Such investment is used for the expansion of power plant business, refined sugar project and bagasse packaging project which are in the process of education and research, as well as other projects of Buriram Sugar Group for the sustainable business growth.

3.2 Organic Fertilizer Business operated by Key Brand Fertilizer (“KBF”)

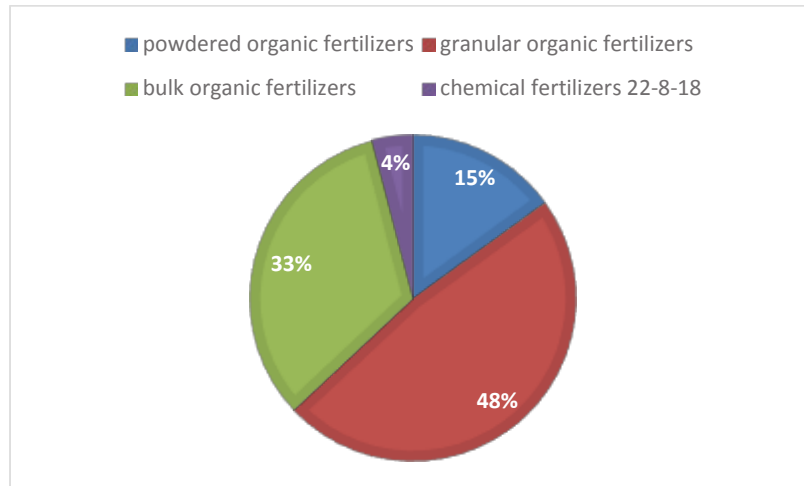
3.2.1 Products and Services

The Key Brand 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 fertilizers on December 2012 by using the decomposed filter product, which is a by-product of the sugar production of BSG as the raw material in the production of organic fertilizers and started producing chemical fertilizers a year later to respond to the sugarcane farmers’ need to nurture their sugarcanes.

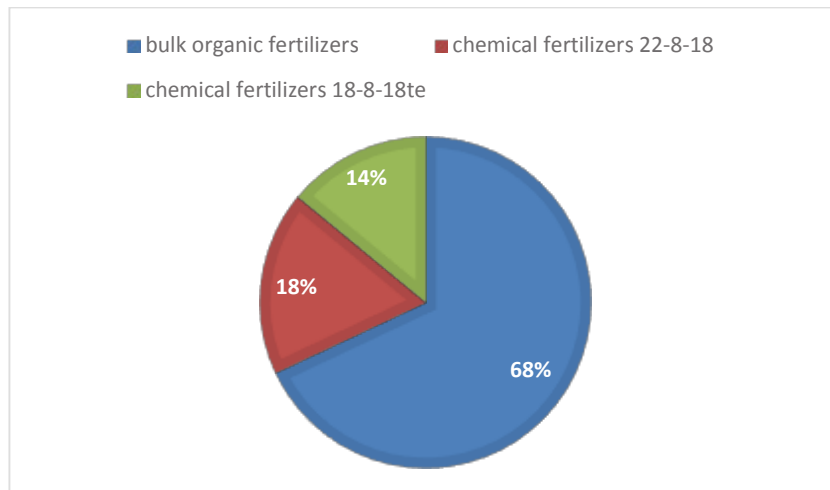
KBF is located in the nearby area to the sugar factory to facilitate the transportation of filter cake, main raw material, in manufacturing the fertilizers and to save the cost of transportation charge .KBF

manufactures and distributes three types of fertilizer which are granular organic fertilizers, powdered organic fertilizers and granular chemical fertilizers.

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



***Comparison of KBF's average production capacity of each type of fertilizers
produced and distributed to markets***



3.2.2 Market and Competition

➤ Strategic Competition

The main goal of running this business of KBF is to provide the sugarcane farmers the best fertilizers and appropriate price so as to reduce the cost in manufacturing for the sugarcane farmers and to value the production per rai, which will make the sugarcane farmers gain more earnings.

■ **Good Products and Suitability for Each Plantation**

KBF aims to grow high quality sugarcanes as well as increase the number of harvest per rai. KBF 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.

In 2016, KBF encouraged the use of powdered organic fertilizers in sugarcane plots with the objective to increase the organic substance in the soil. Thus, the use of powdered organic fertilizers is acceptable to sugarcane farmers who order the fertilizers with the great amount, tending to have high consumption. In 2018, KBF will develop the organic fertilizer formula to ensure the efficient and effective output. However, this has to be well researched and considered.

Furthermore, KBF has installed the fertilizer-manufacturing machines to enhance the capacity and competency of qualified fertilizers in every sack in 2017. 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 sugarcane in response to the fertilizer. Once it was proved that the product was effective, KBF then suggested it to the sugarcane 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 sugarcane farmers.

■ **Distribution Centers in Every Supporting Center**

KBF has conjoined BRD establishing the goods distribution center across the support area in order to facilitate the sugarcane farmers to get support from the company, which is another way of supporting business affiliates. This is because when the sugarcane farmers have the facility to purchase travel and get the fertilizers, 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 materials.

3.2.3 Customer Features and Distribution Channels

1) Sugarcane Farmers of Buriram Sugarcane Research and Development Co., Ltd. (“BRD”)

Currently, KBF supplies powdered organic fertilizers and granular chemical fertilizer accounted for 100% to Buriram Sugarcane Research and Development Co., Ltd. (“BRD”) to distribute to sugarcane farmers later. 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 supported 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 sugarcane farmers. This is to assist them in their cultivation, since they will all get an access to the fertilizers. KBF, therefore, initiated 11 distribution centers in sugarcane 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 Bam 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 powdered organic fertilizers for 28 tons, granular organic fertilizers for 90 tons, and bulk powdered fertilizers for 63 tons. In the previous year, KBF initiated a market plan for granular organic fertilizers 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. In 2017, KBF has promoted its products in 9 districts: Khu Mueang, Kandong, Lamplaimas, Satoek, Baanmaichaipoj, Nangrong (Buriram province), Mueang (Surin province), Sueangsang (Nakhon Ratchasima province), and Yangtalard (Kalasin province), separated into 4 provinces: Buriram, Surin, Nakhon Ratchasima, and Kalasin. Moreover, there were products exhibitions, outdoor conferences with government sectors or related organizations, as well as plantation visits of which sugarcane farmers use KBF's fertilizers for the main crops as follows:

- Rubber tree
- Cassava
- Melon
- Backyard vegetable garden such as limes, beans, bananas and so on

3.2.4 Price Policy

Since the chemical fertilizers and organic fertilizers are the production factor that BRD supports the sugarcane 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, in line with the price of the general market, while the prices of the organic fertilizers produced by the company itself are decided by the cost-plus method. This is to provide the sugarcane farmers the qualified fertilizers with the formula to suit their needs in the growth of the sugarcanes, with the cheap price, and in reducing the cost for the sugarcane farmers.

3.2.5 Marketing and Promotion Plan

In 2017, KBF together with BRD and shops have 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, analyze and solve the problems together and also adjust the decided plan suiting the needs of each area on a regular basis .

Besides, KBF has the plan to broadcast its products through various channel, such as KBF webpage, KBF and BRR Line application, the local cable TVs, community radios, and printing media (Rural Technology Magazine). Additionally, the trading supporting team will evaluate or follow the growth of the sugarcanes periodically to make the products be recognized and to grasp the sugarcane farmers the product's symbol; this is to make the product be more dependable, which will emphasize the sugarcane farmers 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 fertilizers 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 has continued to educate farmers in the use of the chemical fertilizers and organic fertilizers 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 fertilizers, organic fertilizers, 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 fertilizers are one of the important production factors that affect the farmer's production costs.

Presently, agriculturists in Thailand has faced with a long drought and a slump in price of agricultural products. Consequently, the government encourages 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 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 fertilizers. 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 fertilizers. In addition, the decompose filter is accounted for about 5 % of the quantity of the sugarcane crushing of each operation year.

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 diverse formulas that can adapt to individual type of soil.

To facilitate the sugarcane 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 sugarcane 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 sugarcane 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 fertilizers and continued to do better to satisfy the farmers' need. In 2018, KBF will produce and sell organic-chemical fertilizers, 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) for further distribution in 2018.

Selling Activities of the Company

Harvesting Activities at Naphoa District



Meeting of Melon Growing Group



Trainings for Farmers and Traders



*Meeting with Fruit Growing Group
at Chanthaburi*



***Aerobic Decomposition of Fertilizers
at Mueang District and Satoek District, Buriram***



***Organic Vegetables Growing Group
at Satoek District and Lamplaimas District, Buriram***



***Scoop Content of the Rural Technology Magazine about Procedures of Producing Fertilizers
and Raw Materials/ Applying Organic Fertilizers for jasmines, vegetables and rice***



3. 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. By-product business as follows:
 - Biomass-fired power plants operated by Buriram Energy Co., Ltd. (“BEC”), 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”).

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 by using sugarcanes as main raw material. However, BSF does not own sugarcane farm sufficiently for production capacity, thus to allocate sufficient sugarcanes 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 the 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 2017. Hence, the amount of the sugarcane plantation has gradually increased as follows:

	2012/13		2013/14		2014/15		2015/16		2016/17	
	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	11.00	208,924	9.52
All areas in Thailand	9,487,320	11.32	10,078,025	11.24	10,530,927	11.08	11,012,839	9.15	10,988,489	9.43

Source: Office of the Cane and Sugar Board

(b) The risks from climate change, rainfall, irrigation, soil fertility, sugarcane varieties and other sugarcane diseases affect the crop yield of sugarcane per Rai. The changes of each factor can cause agricultural output diminution. According to the climate change and rainfall, the company has supported the watering system during the drought through drip irrigation system in the sugarcane farms by cooperating with the Office of the Cane and Sugar Fund (OCSF) to provide a long-term loan with 2% interest rate per annum for sugarcane farmers to install such drip irrigation system.

(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, and 12-13 tons/ Rai during 2011-2017.

(d) The risk from sugarcane varieties. The company has selected and procured sugarcane varieties which are appropriate for the plantation areas and also provide the sugarcane varieties testing area for the selection of a new sugarcane variety in order to replace deteriorated ones, including the arrangement of the sugarcane varieties for planting, and use of qualified sugarcane varieties to provide higher crop yield for higher returns for the farmers, as well as higher sugar production per ton.

(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, sugarcane farmers may trade their sugarcane to those factories instead; therefore, the amount of sugarcane crushing will be decreased respectively. As the result, BRD provides the solution for this matter through conducting the contract farming between the company and sugarcane farmers by providing fund, fertilizer, chemical, sugarcane variety, or other agricultural machines and equipment in the plantation of 40 kilometers around the factory in order to

legally transfer the rights of such products to the company in advance before cane crushing season. Additionally, BRD aims to keep good relationship with sugarcane farmers through using the support strategies by providing 17 teams of agriculture specialists to give advices to sugarcane farmers in individual planting area such as recommending suitable sugarcane variety for each plantation, managing and examining soil and water conditions and supporting all facilities in the crop period from material preparation to harvesting and selling to BSF by using online and GPS system to ensure that every sugarcane plot is monitored and supported appropriately so that sugarcane farmers can operate the quality production and gain more crop yield per Rai which means that sugarcane farmers will gain more revenue and stable household economic status. Consequently, BSF has not encountered the sugarcane insufficiency for the sugarcane crushing season.

Besides, 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 sugarcanes.

BRD has the additional risk management plan to earn more sugarcane output and efficiency from the sugarcane farmers by mean of supporting sugarcane farmers in each plantation area with the focus on the precision agriculture policy consisting of 3 elements: information technology, know-how technology and management. Such policy is based on the concept that agricultural plants and environmental factors such as soil, water, sunlight, and wind in a planting area affect the agricultural output differently in line with each environmental condition. Thus, agricultural plants in the same area are monitored in a different manner by taking the most efficient output into account. Regarding the sugarcane cropping season in 2018/2019, BRD has determined the agricultural promotion policy by sub-dividing into 4 phases as follow:

Phase 1	Germination Phase in 0 – 40 days
Phase 2	Tillering Phase in 40 – 120 days
Phase 3	Grand Growth Phase in 120 – 270 days
Phase 4	Maturation and Ripening Phase in 270 – 360 days

BRD's goal is to implement every sugarcane farm adhered to the precision agriculture in order to ensure the higher efficient output and the consequent benefits received: lower cost, more output, acceptable quality, achieving the maximum benefits from using resources, and environmental conservation.

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 issuing the promotion policies, trade invention policies, export and import policies of sugar industry group by the government sectors 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 gasoline for automobile fuel. The factors as mentioned above affect 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 the 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 market change. In 2017, the price of New York sugar No.11 was averaged at 15.87 cent per pound.

Average Price of New York Sugar No.11

Fiscal year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Average Price (Cent/Pound)	9.9	12.1	17.98	22.28	27.07	21.57	17.47	16.34	13.12	16.49	15.87

Average Price of London Sugar No.5

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Average Price (US\$/Ton)	309.55	351.59	487.39	616.49	706.07	587.74	496.58	439.30	376.32	458.32	435.86

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, in the event that 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.

Previously, the operating results of the company depend on the of sugar and molasses business only which means that the fluctuation of global sugar market price has the influence on the operating results of the company definitely. However, the company and its subsidiaries aim to invest in many projects related to the sugar and molasses business such as the biomass power plant by using bagasse as the main fuel, the factory producing and distributing organic fertilizer. Thus, the company expects that the operating results with reference to the global sugar market price will be decreased.

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

BRD/BSF support 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 in order to receive such support in line with the actual results.

The support from sugarcane advance payment loans is proceeded by transferring to sugarcane farmers' bank accounts so that the sugarcane 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 sugarcane farmers who are provided the advance payment loans have to sell sugarcanes only to the factory after harvesting, in the period of sugarcane crushing season. Those sugarcane farmers shall harvest and send to the factory accordingly, after that the factory will pay the returns to the sugarcane farmers by deducting from the sugarcane advance payment loan. As the result, the company has the risk on doubtful accounts from non-performing loan in the event that the sugarcane farmers cannot provide 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 2013 to 2017, the company had projected the allowance for such doubtful accounts as follows:

(Unit: Million Baht)

Item	2013	2014	2015	2016	2017
Allowance for Doubtful Accounts	20.33	1.05	3.44	0.74	10.28
Sugarcane Farmers Account Receivable	1,135.29	880.68	989.21	1,069.92	1,106.95
Percentage of Doubtful Accounts	1.79	0.11	0.34	0.07	0.92

The ratio of allowance for doubtful accounts during 2013 to 2017 was approximately 0.62% of sugarcane farmers account receivable at the end of the accounting period. The company has emphasized this advance payment loans and managed its risk through specifying the qualification of sugarcane farmers and classifying 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 has also provided the agricultural specialist teams to look after the planting process and used GPS system to survey the planting areas in order to precisely collect the data in real time and solve the problems timely.

1.4 Foreign Exchange Risk

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

However, the company has a preventive measure by hedging the foreign exchange risk with forward contracts. The exchange currency rate in the forward contracts shall be higher than the rate specified by Thai Cane and Sugar Company Limited (TCSC) in calculation of quota B sugar. In this regard, such matter depends on the consideration of the executives about the trend of exchange rate at that time. Nevertheless, the exchange rate hedging will not be effective in the event that THB appreciation still remains for a long period.

1.5 Risk from Governmental Control

1.5.1 Risk from Government Policy

The sugarcane and sugar industry in Thailand is regulated and controlled 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 industries such as, sugarcane farming management , production in

factory, sugar export, 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 sugarcane farmers and sugar mills.

The 70:30 Profit Sharing System is calculated from the price of Quota B distributed by Thai Cane and Sugar Company Limited (TCSC) as the standard price in order to calculate the total export revenue of country and add it with the total revenue from domestic sale including 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 determining the sugarcane price which the factory will purchase. Therefore, the 70:30 Profit Sharing System shall generate the stability of the sugar industries which can minimize the risk from the fluctuation of raw material price and sugar price to all sugar manufacturers in the country due to the sugarcane price in accordance with the sugar price sold.

In addition, the Minister of Industry, Minister of Agriculture and Cooperatives and Minister of Commerce are responsible for such control and regulations according to the laws. Therefore, the price adjustment in the domestic sale, or the regulation adjustment, or the amendment of such Act shall significantly affect the company's operating results as well as other companies operating sugar industries.

Regarding the 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 (AFTA), Bilateral Free Trade Agreement, Regional Comprehensive Economic Partnership (RCEP), as well as multilateral framework such as World Trade Organization (WTO). Trade liberalization is the opportunity and challenge for the sugarcane and sugar industry which should pay attention to 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 the country including the farmers' lives as well as sugar factory economic status; therefore, this can be convinced that the regulations which may be changed are likely the positive supporting policies on industry, sugarcane farmers and sugar factories.

The significant change has the impact on the upcoming reformed sugar regime for the sugarcane and sugar industry is that Brazil, the largest sugar producer and distributor in the world, launched a complaint against Thailand at the World Trade Organization (WTO) for its supportive policies for the sugar export that has dragged down sugar global prices. In this regard, the Thai Cabinet had a resolution

on October 11, 2013 to reform the overall structural system of the sugarcane and sugar industry as suggested by the Ministry of Industry and in compliance with the obligations and agreements under WTO by determining plan, goal, operational action, and proceeding period, which consists of 5 plans as follow:

1. The Cane and Sugar Act, including other legal requirements and related regulations are reformed to cover the sugarcane ethanol production and other byproduct for the purpose of value addition to sugarcane and sugar, and in compliance with the agreements of WTO, AFTA, and international sugar regime.

2. The sugarcane and sugar productivity are increased to achieve the incremental efficiency for sugarcane and sugar production, and other continuing downstream production.

3. The sugar standard and the standard cost in producing sugarcane and sugar are determined to aim to set the standard for sugar production of the sugar factories which is effective in the crop year 2016/17, and aim to specify the cost standard calculation for sugarcane and sugar as appropriate in each area based on the acceptable and fair practices toward the sugarcane and sugar industrial system, as well as specify the standard cost for ethanol and other sugarcane products.

4. The Cane and Sugar Fund is to be stabilized in order to enable the fund to manage assets or funds, solve a problem, and beneficial to the development of sugarcane and sugar industry, including maintaining the stability of sugarcane and sugar.

5. The continuity of establishing sugarcane and sugar research and development and the continuous downstream industries to enhance the long-term potential and competency as a competitive advantage.

Regarding to the recently status on December 4, 2017, the Thai Cabinet had a resolution to specify the management principles for the sugarcane and sugar industry, as well as to prepare 1 draft announcement of the Office of the Cane and Sugar Board, and 3 draft regulations of the Office of the Cane and Sugar Board, totaling 4 letters as proposed by the Ministry of Industry as follow:

1. The announcement of the Office of the Cane and Sugar Board upon criteria, and preparation of revenue projection, specification and payment of sugarcane price and sugar production cost, and profit sharing system between sugarcane farmers and sugar mills.

2. The regulations of the Office of the Cane and Sugar Board upon production, containing, storage, warehouse, observation, transportation, delivering, and selling sugar.

3. The regulations of the Office of the Cane and Sugar Board upon criteria, measure, and condition relating to sugar export permission.

4. The regulations of the Office of the Cane and Sugar Board upon criteria, measure, and condition relating to manage the revenue from sugar sales in Thailand to be allocated to the Cane and Sugar Fund.

Thus, the significant change is the cancellation of specification on domestic sugar price, and the cancellation of sugar quota system to be in compliance with the trade obligation and agreement. However, after the Thai Cabinet's resolution on December 4, 2017, the relevant parties of the sugarcane and sugar industry, continuing downstream production using sugar as a raw material, consumers, and sugar traders both domestic and abroad are waiting for a clear legal requirement in the Royal Thai Government Gazette which is counted as the effective date of Thai sugarcane and sugar reformation.

1.5.2 Risk from the Fluctuating Income from Sugar Sales

According to the cane crushing 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 sugar based on 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. Previously, there were 3 announcements issued by 3 associations of sugar producers in relation to the domestic sugar management: cancellation of quota, domestic sugar price fluctuation in compliance with the world trade obligations of WTO (World Trade Organization), and in line with the principles as Thai government consulted to resolve the trade dispute with Brazil filing a complaint about Thai sugar system. Thus, other regulations have not been issued clearly yet.

Regarding to this issue for the next year (2018), the company has a preventive measure for the risk on domestic sales in order to response the sugar reformation, and closely follow up the announcement, regulations issued by the government. In this year, the company expanded the market share to the modern trade. However, the company has the proportion of domestic sugar sales at 30%.

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 sugarcane farmers gain 70% of profits from sugar sales. The calculated sugar price on the sugarcane price that has to pay to sugarcane 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 followed up the status of sugar sales from Thai Cane and Sugar Company Limited closely for determining the appropriate price of sugar in comparison with the average price of Thai Cane and Sugar Company Limited.

Risk from Business Operations of Byproducts

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

1.1 Risk from Insufficiency of Fuel Material for Electricity Generation

Currently, Buriram Sugar Factory Company Limited or 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 sugarcanes 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 28% of total weight of sugarcane crushed. In the crop year of 2017/2018, the amount of bagasse after sugarcanes crushed was approximately 810,000 tons in which the sugar factory uses as a fuel in the amount of 344,000 tons for heat generation in sugar production process, whereas, the capacity of 3 power plants is 9.9 MW., which requires the fuel material in approximate amount of 600 – 900 tons per day. However, the company plans to supply the additional sugarcane leaves from sugarcane farmers in approximate amount of 20,000 tons which is sufficient to generate electricity. On the other hand, if the amount of cane crushing is less than 2,800,000 tons, the amount of bagasse will not sufficient for full capacity of electricity generation.

However, the company's machines can use other fuel materials, such as woodchip and rice husks to generate electricity. In the crop year of 2017/2018, the company purchased the additional sugarcane leaves from sugarcane farmers totaling more than 20,000 households to use sugarcane leaves as a fuel. The advantage from using sugarcane leaves as a fuel material is that the moisture level of sugarcane leaves is quite lower than bagasse which can be satisfactory used for electricity generation; therefore, the risk from insufficiency of fuel material for electricity generation can be controlled properly. Nonetheless, the using of other raw materials will increase the cost of electricity generation which definitely affects to the net profits accordingly.

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 such as soil, water, and air. 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, and reduce environmental pollution such as a dust suppression by using scrubbing steam to change dust into soil by the wet scrubber system.

In July 2012, BEC was awarded the Green Industry Level 2 (Green Activity) and promoted to level 3 (Green Activity) in July 2016 for the enhancement of environmental conservation, 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 from the Green Industry Certificate. Such certificate can be explained that the company has emphasized the environmental management systematically, assesses and review the practices continuously, organized by the Provincial Industry Office and Provincial Industrial Estate Authority

In addition, the company has carried on the development and put the importance on the environment on the regular basis. In 2017, the company received 2 awards; that is, the alternative energy of the cogeneration project in the event of Thailand Energy Awards 2017 by the Minister of the Ministry

of Energy, and the winner cogeneration category in the event of 35th ASEAN Ministers on Energy Meeting at Pasay, Philippines.

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

1.1 The Risk from Existing Consumption Behaviors

Key Brand Fertilizer Company Limited or 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. During the 3-4 years ago, 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 after the company conducted public relations on using organic fertilizer to enrich the organic materials. Therefore, Key Brand Fertilizer Company Limited has cooperated with Buriram Sugar Research and Development Company Limited to solve this problem by changing the method to apply the powdered organic fertilizer in the planting area. During 2 years ago, the machines had been improved, and Big Bag packages had been designed. After that, the raising sugarcane trucks lift the Big Bag packages and put into the fertilizer application machine. In the present, such machines has been more improved and equipped with the hydraulic system for excavating powdered organic fertilizers piled up along the sugarcane farms and putting such fertilizers in the planting area directly. Consequently, the sugarcane farmers do not need to wait for the queue of the raising sugarcane trucks lifting the powdered organic fertilizers to be contained in the Big Bag packages and putting into the fertilizer application machine. This helps reduce the steps of plant preparation process before the rainy season, and increase the consumption of the powdered organic fertilizers at large.

However, the company also conveys the knowledge of organic fertilizer and organizes a plant visit on the demonstration farm applying the organic fertilizers, including the academic information support which influences the change of sugarcane farmers consuming behaviors to increasingly apply the powdered fertilizer.

1.2 Environmental Risks

The business operation of fertilizer manufacturer and distributor for soil improvement is under laws and Acts B.E. 2518 amended by No.2 B.E. 2550 concerning to the quality control to sustain

the benefits for farmers and agricultural industry which included the pollution control such as soil, water, air and toxins, 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 microbe to accelerate biodegradation and elimination of waste disposal smell, the utilization of dust collector chamber, wet scrubber system, water cannon vehicle, and providing safety equipment for employees in order to reduce the machines' acoustic impact.

The CSR activities were organized in order to sustainably develop the community. The manufacturing plant of KBF is located far away from the community areas; therefore, it can be assured that the environmental risk is leveled low.

Other Risks

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

According to the financial statements year ended on December 31, 2017 and December 31, 2016, the D/E ratio of the company is equivalent to 2.73% and 2.45% respectively. However, the company is a holding company; therefore, the bank loan agreement with the financial institutions, the agreement of Buriram Sugar Group Power Plant Infrastructure Fund, and the business operations of its subsidiaries such as BSF, and so on in which each subsidiary calculated and maintained D/E ratio separately, not calculating the entire business group. On December 31, 2017, D/E ratio of BSF was in compliance with commercial bank loan contracts.

Such D/E ratio is separately calculated as follows:

Case 1 Debt to Equity: D/E ratio equivalent to 2.73 times

Case 2 Interest Bearing Debt to Equity: IBD/E ratio equivalent to 2.41 times

Case 3 Debt to Equity: D/E ratio excluding Infrastructure Fund equivalent to 1.38 times

Case 4 Interest Bearing Debt to Equity: IBD/E Ratio excluding Infrastructure Fund equivalent to 1.05 times

In addition, the company launched the investment unit “ Buriram Sugar Group Power Plant Infrastructure Fund (BRRGIF)” to the financial institution and people in the Stock Exchange of Thailand. However, there is no accounting standard for recording the infrastructure fund, but to be accounted as a liability. Consequently, the D/E ratio of the company was increased.

In order to mitigate the risk on the loan from the commercial banks, the company has dealt the agreement on the D/E ratio and related agreement with the company and its subsidiaries without any obligations to maintain other financial ratio other than the D/E ratio.

1.2 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 the 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 influence of major shareholders on policy formulation and administration somehow, and the policy and management control, as well as voting control in the shareholders’ meeting which requires the majority votes, except for any agenda which required 3/4 of the total votes at the shareholders’ meeting. Therefore, other shareholders may not control the votes to balance the power of major shareholders. However, the company has determined the good corporate governance principles for the Board of Directors and executives to be comply with relating to the right of shareholders and information disclosure and transparency, etc.

Regarding to the transparency, accountability and the power balance of the executives and directors, the company currently set up the Internal Audit Unit to be subject to the Audit Committee, and auditing outsources to audit and balance the power of consideration and approval of any agenda items before proposing at the shareholder’s meeting in order to prevent the conflict of interest, and to enhance the transparency of business operations. Additionally, the Risk Management Unit was appointed under the supervision of the Risk Management Committee to manage all of the risks in the organization by setting up the risk management plan as needed. In the previous year, the company appointed the Nomination and Compensation Committee, and Corporate Governance Committee to ensure the transparency, clarity, and maintaining the best interest of all stakeholders.

4. The Operational Assets

4.1 Core Operational Assets of the Company and its subsidiaries

As of December 31, 2017, the core operational assets of the company and its subsidiaries had net value after deduction of the accumulated depreciation on the consolidated financial statements 4,810,700,305 Baht with details as follows:

Items	Net value after deduction of the depreciation (Baht)	Ownership	Encumbrance
Consolidated Financial Statements			
Land and Land Development	299,205,174	Owner/ long-term rental	Collateral ¹
Building and Building Development	965,172,746	Owner	Collateral ¹
Machinery, Furniture, Equipment and Vehicles	3,431,911,122	Owner	Collateral ¹
Assets in Construction	114,411,263	Owner	-
Total	4,810,700,305		

Remark: ¹ The company has mortgaged land, building and machinery as collateral to secure long-term loans from financial institutions

Thus, the details of land and objectives of ownership for business operation of the company and its subsidiaries as of December 31, 2017 are described as follows:

4.1.1 Land

Asset	Location	Area	Objective of Ownership	Ownership	Encumbrance
Land	- Hinlekfai, Kumueang, Buriram	- 1,111 Rai, 1 ngan, 43 sq. wah	Sugar factory	Owner	Some in collateral ¹
Land	- Hinlekfai, Kumueang, Buriram	- 648 Rai, 34 sq. wah	Biomass-fired power plant and organic fertilizer factory	Owner and some in long-term rental agreement	Some in collateral ¹

Asset	Location	Area	Objective of Ownership	Ownership	Encumbrance
Land	- Nong Plong, Chamni, Buriram	- 247 Rai, 1 ngan, 57 sq. wah	Sugar factory	Owner	-
Land	- Thai Charoen Lahan Sai, Buriram	- 51 Rai, 3 ngan, 93 sq. wah	Sugarcane plantation experiment for research and development	Owner	-
Total		2,057 Rai, 5 ngan, 227 sq. wah			

Remark: ¹ The company has mortgaged some land as collateral to secure long-term loans from financial institutions

The long-term rental agreement of land is made between Buriram Energy Co., Ltd. and Mr. Adisak Tangtrongweachakit who is director and executive director (please see details in Part 2, Item No. 12 “Related Transactions”). Thus, the agreement is valid for 25 years from January 1, 2011 to January 1, 2036.

4.1.2 Building and Construction of the company and its subsidiaries

Asset	Location	Objective of Ownership	Ownership	Encumbrance ¹
<u>Sugar Factory (BSF)</u> - Factory building; 11,967 square meters - Sugar and raw materials warehouse; 24,236 square meters - Office, maintenance building - Accommodation, guardhouse, warehouse and others	Hinlekhai, Kumueang, Buriram	Sugar production and warehouse	Owner	Collateral
<u>Power Plant (BEC)</u> - Power generation building; 1,440 square meters - Plant and building; 50,192 square meters - 1 bagasse storage; 3,170 square meters	Hinlekhai, Kumueang, Buriram	Power generation and distribution	Owner	Collateral

Asset	Location	Objective of Ownership	Ownership	Encumbrance ¹
<u>Power Plant (BEC) (continued)</u> - wastewater treatment pond; 430 square meters - Office of subsidiary - Accommodation, guardhouse and warehouse				
<u>Power Plant (BPC)</u> - Power generation building; 19,500 square meters - Plant and building; 12,100 square meters - wastewater treatment pond; 430 square meters - 1 bagasse storage; 3,170 square meters	Hinlekfai, Kumueang, Buriram	Power generation and distribution	Owner	Collateral
<u>Power Plant (BPP)</u> - Power generation building; 19,500 square meters - Plant and building 12,100 square meters - wastewater treatment pond; 430 square meters - 1 bagasse storage; 3,170 square meters	Hinlekfai, Kumueang, Buriram	Power generation and distribution	Owner	
<u>Fertilizer Factory (KBF)</u> - Area for filter cake before production; 48,000 square meters - Production building; 2,000 square meters - Warehouse; 3,000 square meters - Factory building and office; 5,000 square meters - Wastewater treatment system area; 60 square meters	Hinlekfai, Kumueang, Buriram	Fertilizer production and storage	Owner	Collateral

Asset	Location	Objective of Ownership	Ownership	Encumbrance ¹
10 Offices of Extension - Office of Extension, District 1 - Office of Extension, District 2 - Office of Extension, District 3 - Office of Extension, District 4 - Office of Extension, District 5 - Office of Extension, District 6 - Office of Extension, District 7 - Office of Extension, District 8 - Office of Extension, District 9 - Office of Extension, District 10	Buriram Ban Sao Ae A.Kumueang, Ban Nongkrue A.Mueang, Ban Nonkhao A.Kandong, Ban La Koh A.Sa Tuek, A.Lamtamenchai, Ban Nasinuan A.Lamplaimas, Ban Nongphai A.Sa Tuek, Ban Samed A.Sa Tuek, Ban Kradueang A.Nangrong, and A.Baandan	Offices of Extension to provide services to farmers relating to plantation	Rental	-
Office building	Room No.128/77-78 7 th Floor, Phayathai Plaza Building	Office of subsidiary	Owner	Collateral

Remark: ¹ The company has mortgaged buildings as collateral to secure long-term loans from financial institutions

4.1.3 Machinery of the company and its subsidiaries

Asset	Location	Objective of Ownership	Ownership	Encumbrance ¹
<u>Main machine for sugar production (BSF)</u> - Machine for sugarcane juice extractor with capacity of 14,000 tons/ day ■ 7 machines for sugarcane receiving and uploading ■ 2 machines for sugarcane preparation ■ 10 machines for sugarcane crushing - Machine for juice clarification with capacity of 14,000 tons/ day ■ 6 warming boilers ■ 3 heating-up boilers ■ 4 filters - Machine for crystallization with capacity of 1,680 tons/ day ■ 6 boilers for crystallization process - Machine for centrifuging to separate sugar crystals and dry with capacity of 1,680 tons/day ■ 11 centrifuging machines for separating sugar crystals from the mother liquor - Machine for drying sugar with capacity of 1,680 tons/ day ■ 2 machines for drying sugar - Power Generator ■ 1 generator ■ 9 transformers ■ 9 cranes	Hinlekfai, Kumueang, Buriram	Sugar production	Owner	Collateral
<u>Power Plant (BEC)</u> - Power Generator ■ 2 generators ■ 2 transformers ■ 2 cranes	Hinlekfai, Kumueang, Buriram	Power generation	Owner	Collateral

Asset	Location	Objective of Ownership	Ownership	Encumbrance ¹
<u>Power Plant (BPC)</u> - Power Generator <ul style="list-style-type: none"> ■ 2 generators ■ 2 transformers ■ 1 crane 	Hinlekhai, Kumueang, Buriram	Power generation	Owner	Collateral
<u>Power Plant (BPP)</u> - Power Generator <ul style="list-style-type: none"> ■ 2 generators ■ 2 transformers ■ 1 crane 	Hinlekhai, Kumueang, Buriram	Power generation	Owner	Collateral
<u>Fertilizer Factory (KBF)</u> - 2 machines for classifying granular fertilizers - 3 machines for mixing raw materials and granulating - Equipment and appliance in the factory, furniture, office equipment, and vehicles	Hinlekhai, Kumueang, Buriram	Fertilizer production	Owner	Collateral

Remark: ¹ The company has mortgaged machinery of BSG as collateral to secure long-term loans from financial institutions


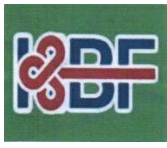


4.1.4 Equipment

BRD's Equipment	Objective of Ownership	Net Value as of December 31, 2017
3 sugarcane harvesters	Sugarcane harvesting service for sugarcane farmers	11,355,449.12

4.1.5 Intangible assets of the company and its subsidiaries

Asset	Objective of Ownership
Computer software	Acquired computer software licenses for general affairs, as well as accounting program, farm-recording program, and information of sugar production, etc.

4.1.6 Trademarks of the company and its subsidiaries

Trademarks	Objective of Ownership	Registration Date
	Trademark for brown sugar and raw sugar	White sugar Submission date: September 11, 2013 Announcement date: July 18, 2014
	Trademark for organic fertilizers	Organic fertilizers Submission date: August 28, 2013 Announcement date: June 26, 2014
	Trademark for chemical fertilizers	Chemical fertilizers Submission date: May 20, 2014 Announcement date: August 20, 2014
	Trademark for organic and chemical fertilizers	Organic and chemical fertilizers Registration date: September 3, 2013 (the company purchased the trademark and already transferred the trade certificate)

Remark: Registrar will announce the trademark registration on the official gazette issued by Trademark Division, Department of Intellectual Property, Ministry of Commerce for 90 days. Unless objection occurs, the officer will register the trademark.

4.2 Insurance for businesses and operational assets

Insurances of the company and its subsidiaries include risk insurance and fire insurance, the sum assured as of December 31, 2017 was 7,974,410,000 Baht with details as follows:

Company	Details of assets insured	Type of Insurance	Beneficiary	Insurance Date	Termination Date	Insurance Limit (Baht)
BSF	- Construction of factory building (foundation excluded), sugar warehouse	Fire insurance	Financial institution	October 31, 2017	October 31, 2018	600,000,000
	- Machinery for sugar production					2,690,000,000
	- White sugar and raw sugar stock					2,670,000,000
	- Molasses stock for 40,000 tons					300,000,000
	- Bagasse stock for 150,000 tons					30,000,000
BEC	- Construction of factory building (foundation excluded)	Property insurance	Financial institution	October 31, 2017	October 31, 2018	90,500,000
	- Machinery for power generation					436,500,000
	- Office equipment					500,000
	- Raw materials stock					2,500,000

Company	Details of assets insured	Type of Insurance	Beneficiary	Insurance Date	Termination Date	Insurance Limit (Baht)
BPC	- Construction of factory building (foundation excluded), Office equipment	Property insurance	Financial institution	October 31, 2017	October 31, 2018	86,400,000
	- Machinery for power generation					453,300,000
	- Raw materials stock					2,500,000
BPP	- Construction of factory building (foundation excluded), Office equipment	Property insurance	Financial institution	October 31, 2017	October 31, 2018	101,400,000
	- Machinery for power generation					423,110,000
	- Raw materials stock					2,500,000
KBF	- Construction of factory building (foundation excluded)	Fire insurance	Financial institution	September 10, 2017	September 10, 2018	40,000,000
	- Machinery for fertilizer production					15,200,000
	- Product stock					30,000,000
Total						7,974,410,000

Fire insurance: Buriram Sugar Factory Company Limited has made additional insurance from the fire insurance as follows:

Liability	Liability Limit
The insurance coverage includes loss or damage to electrical appliance, electrical equipment and others related, which is occurred by overloading power generation, overused voltage, short circuit, power flash, burnout wires, leakage current resulted from any incidence as well as thunderbolt.	-Maximum 100 Million Baht per time in the insurance validity
The insurance coverage includes loss or damage to permanent mirrors, temporary mirrors, glasses, porcelains, ceramics, marbles or others fragile or breakable, which is occurred by robbery, burglary, housebreaking or any other incidence such as dropping, hitting, and crashing.	-Maximum 100 Million Baht per time in the insurance validity
The insurance coverage includes loss or damage to insured property, which is occurred from robbery with clearly appearing damaged marks on the buildings or area insured.	-Maximum 100 Million Baht per time in the insurance validity
The insurance coverage includes loss or damage occurred by wind, rain, hail, hoarfrost, snow, flood, sand or dust, which causes damage to property at outdoor, or in a clear and airy building, or in a building with one side wide-open or gate.	-Maximum 20 Million Baht per time in the insurance validity
The insurance coverage includes loss or damage to machinery, equipment and/or electronic appliance.	-Maximum 25 Million Baht per time in the insurance validity

Liability	Liability Limit
The insurance coverage includes loss or damage to stem boiler and pressure tank, which is occurred by explosion, flattening from inside or outside pressure.	-Maximum 50 Million Baht per time in the insurance validity
The insurance coverage includes loss or damage to electronic appliance, computers, and data processing equipment, which is occurred by robbery clues or clueless robbery in the area insured as well as water damage incidents, and other incidents such as dropping, hitting, and crashing.	-Maximum 20 Million Baht per time in the insurance validity
Public liability Insurance pays compensation on behalf of the insuree. The amount of compensation, which the insuree is liable for, covers injuries or death, damage or loss to public property occurred by the insuree's business operation and/or the insuree's employees and/or the insuree's representative and/or those who are assigned to do any actions.	-Maximum 5 Million Baht per time in the insurance validity

Property insurance: Buriram Energy Co., Ltd. and Buriram Power Co., Ltd. have insurance covering directly property damage caused by fire, thunderbolt, storm, flood, hail, earthquake, or volcano eruption, or tidal, or tsunami, vehicles, pollution, aircraft, explosion, water, strike, riot, or any actions with malicious intent, flames, or eruption, or natural disasters, and unpredictable incidents from external factors. The liability limit is described as follows:

Liability	Each Liability Limit	Liability Limit of the Insurance Validity
The insurance coverage includes loss or damage to electrical appliance, electrical equipment and others related, which is occurred by overloading power generation, overused voltage, short circuit, power flash, burnout wires, leakage current resulted from any incidents as well as thunderbolt.	Maximum not exceeding 20 Million Baht	Maximum not exceeding 20 Million Baht
The insurance coverage includes loss or damage to permanent mirrors, temporary mirrors, glasses, porcelains, ceramics, marbles or others fragile or breakable, which is occurred by robbery, burglary, housebreaking or any other incidence such as dropping, hitting, and crashing.	Maximum not exceeding 20 Million Baht	Maximum not exceeding 20 Million Baht
The insurance coverage includes loss or damage to insured property, which is occurred from robbery without clearly appearing damaged marks on the buildings or area insured.	Maximum not exceeding 20 Million Baht	Maximum not exceeding 20 Million Baht
The insurance coverage includes loss or damage occurred by wind, rain, hail, hoarfrost, snow, flood, sand or dust, which causes damage to property at outdoor, or in a clear and airy building, or in a building with one side wide-open or gate.	Maximum not exceeding 20 Million Baht	Maximum not exceeding 20 Million Baht
The insurance coverage includes loss or damage to machinery, equipment and/or electronic appliance.	Maximum not exceeding 25 Million Baht	Maximum not exceeding 25 Million Baht

Liability	Each Liability Limit	Liability Limit of the Insurance Validity
The insurance coverage includes loss or damage to steam boiler and pressure tank, which is occurred by explosion, flattening from inside or outside pressure.	Maximum not exceeding 25 Million Baht	Maximum not exceeding 25 Million Baht
The insurance coverage includes loss or damage to electronic appliance, computers, and data processing equipment, which is occurred by robbery clues or clueless robbery in the area insured as well as water damage incidents, and other incidents such as dropping, hitting, and crashing.	Maximum not exceeding 20 Million Baht	Maximum not exceeding 20 Million Baht
Public liability Insurance pays compensation on behalf of the insuree. The amount of compensation, which the insuree is liable for, covers injuries or death, damage or loss to public property occurred by the insuree's business operation and/or the insuree's employees and/or the insuree's representative and/or those who are assigned by the insuree to do any actions within the insured area.	Maximum not exceeding 5 Million Baht	Maximum not exceeding 5 Million Baht

Property insurance: Buriram Power Plus Co., Ltd. has insurance covering directly property damage caused by fire, thunderbolt, vehicles, pollution, aircraft, water, wildfire, explosion, storm, flood, hail, earthquake, or volcano eruption, or tidal, or tsunami, strike, riot, or any actions with malicious intent, flames, or eruption, or natural disasters, and unpredictable incidents from external factors. The liability limit is described as follows:

Liability	Each Liability Limit	Liability Limit of the Insurance Validity
- Storm, earthquake, hail	Maximum not exceeding 20 Million Baht	Maximum not exceeding 200 Million Baht
- Flood	Maximum not exceeding 50 Million Baht	Maximum not exceeding 50 Million Baht
- Damage occurred from robbery or plunder with damaged marks	Maximum not exceeding 500 Million Baht	Maximum not exceeding 500 Million Baht
- Damage to building mirrors	Maximum not exceeding 20 Million Baht	Maximum not exceeding 20 Million Baht
- Damage to electrical appliance	Maximum not exceeding 20 Million Baht	Maximum not exceeding 20 Million Baht
- Public liability for life, body, and property due to the company's negligence and carelessness	Maximum not exceeding 5 Million Baht	Maximum not exceeding 5 Million Baht
- Damage to machinery and/or other electronic appliance	Maximum not exceeding 25 Million Baht	Maximum not exceeding 25 Million Baht
- Damage to electronic appliance, computers, and data processing equipment	Maximum not exceeding 20 Million Baht	Maximum not exceeding 20 Million Baht
- Damage occurred from robbery without clearly appearing damaged marks	Maximum not exceeding 20 Million Baht	Maximum not exceeding 20 Million Baht
- Damage to steam boiler and pressure tank	Maximum not exceeding 25 Million Baht	Maximum not exceeding 25 Million Baht

Fire insurance: Key Brand Fertilizer Co., Ltd. has additional conditions other than such fire insurance with details as follows:

Liability	Each Liability Limit	Liability Limit of the Insurance Validity
- Exclusion of war and terrorist attack	-	-
- Coverage of storm damage	Maximum not exceeding 1 Million Baht	Maximum not exceeding 1 Million Baht
- Coverage of flood damage	Maximum not exceeding 1 Million Baht	Maximum not exceeding 1 Million Baht
- Coverage of earthquake, or volcano explosion, tidal wave, or tsunami damage	Maximum not exceeding 1 Million Baht	Maximum not exceeding 1 Million Baht

4.3 Policy of investment in subsidiaries

The company has the policy to invest in the businesses related to the core business that gives the mutual benefit and reasonable return, or supports the business operation to earn more income and increase competitive advantage. Thus, the directors, who manage and monitor the business operations of its subsidiaries, are the same persons of the holding company and the core company in order to lead the business goals for the best interest of the company as a whole.

Currently, the company has 8 subsidiaries as follows:

Subsidiaries	Investment proportion (%)
Buriram Sugar Factory Company Limited (“BSF”)	99.90
Buriram Energy Company Limited (“BEC”)	99.99
Buriram Power Company Limited (“BPC”)	BEC holds 99.99% of its shares
Buriram Power Plus Company Limited (“BPP”)	99.99
Chamni Sugar Factory Company Limited (“CSF”) (Former Name: Buriram Super Power Company Limited (“BSP”))	99.99
Buriram Sugar Capital Company Limited (“BSC”) (Former Name: Buriram Agro Energy Company Limited (“BAE”))	99.99
Buriram Sugarcane Research and Development Company Limited (“BRD”)	99.99
Key Brand Fertilizer Company Limited (“KBF”)	99.99

5. Legal Disputes

As of December 31, 2017, the company did not encounter a legal dispute impacting the company's assets higher than 5% of the equity, and no any legal dispute had a negative impact on the business operation in a significant matter.

6. General Information and Other Important Information

6.1 General Information

A. Company

Name (listed on SET)	:	Buriram Sugar Public Company Limited (BRR)
Head Office/Factory	:	237 Moo. 2, Hinleklai, Kumueang, Buriram 31190
Bangkok Office	:	128/77-78 Phayathai Plaza Building 7th Fl., Phayathai Road, Thungphayathai, Ratchathewi, Bangkok 10400
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
Registered Number	:	0107556000523
Telephone	:	+66-4465-9020, +66-2216-5820-2
Fax	:	+66-4465-9020, +66-2216-5823
Website	:	www.buriramsugar.com

B. Subsidiaries

1. Buriram Sugar Factory Co., Ltd. (BSF)

Business Type	:	Manufacture and distribute sugar
Head Office/Factory	:	237 Moo.2, Hinleklai, Kumueang, Buriram 31190
Bangkok Office	:	128/77 Phayathai Plaza Building 7th Fl., Phayathai Road, Thungphayathai, Ratchathewi, Bangkok 10400
Telephone	:	+66-4465-9020, +66-2216-5820-2
Fax	:	+66-4465-9020, +66-2216-5823

2. 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, Hinleklai, Kumueang, Buriram 31190
Bangkok Office	:	128/77 Phayathai Plaza Building 7th Fl., Phayathai Road, Thungphayathai, Ratchathewi, Bangkok 10400
Telephone	:	+66-4465-9020, +66-2216-5820-2
Fax	:	+66-4465-9020, +66-2216-5823

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

Business Type : Biomass power plant
Head Office/Factory : 289 Moo.2, Hinlekkhai, Kumueang, Buriram 31190
Bangkok Office : 128/77 Phayathai Plaza Building 7th Fl., Phayathai Road,
Thungphayathai, Ratchathewi, Bangkok 10400
Telephone : +66-4466-6368, +66-2216-5820-2
Fax : +66-4466-6368, +66-2216-5823

4. Buriram Power Co., Ltd. (BPC)

Business Type : Biomass power plant
Head Office/Factory : 289 Moo.2, Hinlekkhai, Kumueang, Buriram 31190
Bangkok Office : 128/77 Phayathai Plaza Building 7th Fl., Phayathai Road,
Thungphayathai, Ratchathewi, Bangkok 10400
Telephone : +66-4466-6368, +66-2216-5820-2
Fax : +66-4466-6368, +66-2216-5823

5. Key Brand Fertilizer Co., Ltd. (KBF)

Business Type : Produce and distribute organic and chemical fertilizer
Head Office/Factory : 161 Moo.16, Hinlekkhai, Kumueang, Buriram 31190
Bangkok Office : 128/77 Phayathai Plaza Building 7th Fl., Phayathai Road,
Thungphayathai, Ratchathewi, Bangkok 10400
Telephone : +66-4465-9020, +66-2216-5820-2
Fax : +66-4465-9020, +66-2216-5823

6. Buriram Power Plus Co., Ltd. (BPP)

Business Type : Biomass power plant
Head Office/Factory : 317 Moo.2 Hinlekkhai, Kumueang, Buriram 31190
Bangkok Office : 128/80 Phayathai Plaza Building 7th Fl., Phayathai Road,
Thungphayathai, Ratchathewi, Bangkok 10400
Telephone : +66-4466-6368, +66-2216-5820-2
Fax : +66-4466-6368, +66-2216-5823

7. 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 Hinlekhai, Kumueang, Buriram 31190
Bangkok Office : 128/77 Phayathai Plaza Building 7th Fl., Phayathai Road,
Thungphayathai, Ratchathewi, Bangkok 10400
Telephone : +66-4466-6368, +66-2216-5820-2
Fax : +66-4466-6368, +66-2216-5823

8. 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, Hinlekhai, Kumueang, Buriram 31190
Bangkok Office : 128/77 Phayathai Plaza Building 7th Fl., Phayathai Road,
Thungphayathai, Ratchathewi, Bangkok 10400
Telephone : +66-4465-9020, +66-2216-5820-2
Fax : +66-4465-9020, +66-2216-5823

C. Contact Details

1. Investor Relations Department

Address : 128/77-78 Phayathai Plaza Building 7th Fl., Phayathai Road,
Thungphayathai, Ratchathewi, Bangkok 10400
Telephone : +66-2216-5820-2
Fax : +66-2216-5823
E-mail : IR@buriramsugar.com

2. Director Office/ Company Secretary

Address : 128/77-78 Phayathai Plaza Building 7th Fl., Phayathai Road,
Thungphayathai, Ratchathewi, Bangkok 10400
Telephone : +66-2216-5820-2 ext. 124 or 125
Fax : +66-2216-5823
E-mail : companysecretary@buriramsugar.com

6.2 Reference

1. Security Registrar

Name : Thailand Securities Depository Co., Ltd.
Head Office : The Stock Exchange of Thailand Building,
93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok
10400
Telephone : +66-2009-9000
Fax : +66-2009-9991

2. Auditor

Name : PricewaterhouseCoopers ABAS Ltd.
Head Office : 15th Floor, Bangkok City Tower
179/74-80 South Sathorn Road Sathorn Bangkok, 10120
Telephone : +66-2344-1000
Fax : +66-2286-5050

6.3 Whistle Blowing and Suggestion Channel

Attention to : Chairman of Corporate Governance Committee or Internal
Audit Office
Address : Buriram Sugar Public Company Limited
128/77-78 Phayathai Plaza Building 7th Fl., Phayathai Road,
Thungphayathai, Ratchathewi, Bangkok 10400
Telephone : +66-2216-5820-2
Fax : +66-2216-5823

“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, and etc. however, such disclosed information in any formats shall not show information that is untrue, concealing truths, or leading to misunderstanding.”

7. Securities and Shareholders

7.1 The Company's Securities

- Registered capital: 812,100,000 Baht. - Par Value: 1 Baht/ Share
- Issued and paid-up share capital: 812,099,845 Baht* - None other types of shares,
(Comprising 812,099,845 ordinary shares) except ordinary shares

*The capital was increased from 676,750,000 on May 26, 2017 by issuing stock dividend payout.

7.2 Shareholders

The Company's number of shareholders as shown in the share register book on December 29, 2017 as follows;

Shareholder Nationality	Number of Shareholder	Amount of Share	Percent of Share
Thai Shareholders	3,445	808,050,645	99.50
Foreign Shareholders	10	4,049,200	0.50
Total	3,455	812,099,845	100

7.2.1 Major Shareholders

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>603,578,520</u>	<u>74.32</u>
	Buriram Capital Co., Ltd.	406,056,000	50.00
	Mr. Anant Tangtongwechakit	33,009,000	4.06
	Mrs. Wanphen Punyaniran	32,889,000	4.05
	Mrs. Jirawan Pongpichitkul	32,889,000	4.05
	Miss Chittima Tangtrongwechakit	32,889,000	4.05
	Mr. Sarit Tangtrongwechakit	32,889,000	4.05
	Mr. Adisak Tangtrongwechakit	32,889,000	4.05
	Mrs. Sureewan Tangtongwechakit	25,320	0.00
	Miss Kornkanok Punyaniran	43,200	0.01
2.	<u>Sareewiwatthana Group</u>	<u>51,998,980</u>	<u>6.40</u>
	Miss Pitsinee Sareewiwatthana	19,209,600	2.37
	Miss Pimsiri Sareewiwatthana	18,000,000	2.22
	Mrs. Waranee Sareewiwatthana	10,100,880	1.24
	Mr. Paiboon Sareewiwatthana	4,688,500	0.57

	Name of Shareholder	Number of Share	Percent of Share
3.	<u>Techathiphakorn Group</u>	<u>14,242,200</u>	<u>1.75</u>
	Mr. Somsak Techathiphakorn	7,449,000	0.92
	Mr. Piti Techathiphakorn	3,352,200	0.41
	Mr. Kittisak Techathiphakorn	3,190,000	0.39
	Miss Supreeya Techathiphakorn	113,000	0.01
	Mr. Preecha Techathiphakorn	78,000	0.01
	Miss Ariya Techathiphakorn	60,000	0.01
4.	<u>Shartpinyo Group</u>	<u>12,661,400</u>	<u>1.56</u>
	Miss Jutirat Shartpinyo	10,530,000	1.30
	Mr. Utain Shartpinyo	2,131,400	0.26
5.	<u>Khahanurak Group</u>	<u>10,542,020</u>	<u>1.30</u>
	Mr. Nattaphat Khahanurak	8,464,020	1.04
	Miss Pannita Anantakul	2,078,000	0.26
6.	<u>Brahmasakha Na Sakolnakhon Group</u>	<u>9,796,620</u>	<u>1.20</u>
	Mrs. Sulee Brahmasakha Na Sakolnakhon	5,129,340	0.63
	Mr. Saranwit Brahmasakha Na Sakolnakhon	4,667,280	0.57
7.	<u>Lertlumprasertkul Group</u>	<u>3,350,000</u>	<u>0.41</u>
	Mr. Nattapong Lertlumprasertkul	2,880,000	0.35
	Mr. Sommai Lertlumprasertkul	260,000	0.03
	Mr. Somsak Lertlumprasertkul	210,000	0.03
8.	Mr. Chatchaval Piemongsuk	2,234,760	<u>0.28</u>
9.	Mr. Vanthana Chareonnavarat	2,232,000	<u>0.27</u>
10	Mr. Virot Totsilaporn	2,100,000	<u>0.26</u>
	Total	712,736,500	87.76

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 29, 2017 is as follows;

List of Buriram Capital Co., Ltd.'s shareholders

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

7.2.2 Minor Shareholders (As of December 29, 2017)

Total number of minor shareholders (Free float) is 3,443, equivalent to 25.58%.

7.3 Major Shareholders' Agreement

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

(As of December 29, 2017)

Major Shareholder (de facto control to influence a policy)	Number of Share	Percent of Share
<u>Tangtrongwechakit Group</u>	<u>603,578,520</u>	<u>74.32</u>
Buriram Capital Co., Ltd.	406,056,000	50.00
Mr. Anant Tangtongwechakit	33,009,000	4.06
Mrs. Wanphen Punyaniran	32,889,000	4.05
Mrs. Jirawan Pongpichitkul	32,889,000	4.05
Miss Chittima Tangtrongwechakit	32,889,000	4.05
Mr. Sarit Tangtrongwechakij	32,889,000	4.05
Mr. Adisak Tangtrongweachakit	32,889,000	4.05
Mrs. Sureewan Tangtongwechakit	25,320	0.00
Miss Kornkanok Punyaniran	43,200	0.01

7.4 Subsidiaries' Major Shareholders

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 Tangtrongwechakij	1,666	0.016
7	Mr. Adisak Tangtrongweachakit	1,666	0.016
8	Mrs. Pakinee Tangtrongweachakij	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

7.5 Issuance of Other Securities

7.5.1 Debentures

The Extraordinary General Meeting of Shareholders No. 1/2015 on September 18, 2015 approved the issuance and offering not exceeding 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 the maturity date of both series was completed. (as of December 29, 2017)

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

Remarks: * Debentures were rated by Tris Rating Co., Ltd. as at August 15, 2017
 ** 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

7.5.2 Infrastructure Fund

Regarding the Extraordinary General Shareholders' Meeting of Shareholders No. 1/2016 on September 8, 2016, there was a resolution to set up the Buriram Sugar Group Power Plant Infrastructure Fund (BRRGIF) by transferring the net income generated from the power plants, its subsidiaries. Such fund was about 3,600 Million Baht for the period of not more than 19 years for the expansion project of the power plants and related projects of the company as seemed appropriate.

In addition, the Securities and Exchange Commission has approved the establishment of the Buriram Sugar Group Power Plant Infrastructure Fund (BRRGIF) on August 1, 2017, and offering of investment units totaling of 350 Million Units with the last offering price and par value per unit by 10.30 Baht. The amount of first offering of investment units was equivalent to 3,605 Million Bath, and such infrastructure fund trading in the Stock Exchange of Thailand was firstly operated on August 7, 2017.

7.6 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 and statutory reserve. Whereas dividend payment might be less than the specified rate depending on the operating performance, financial status, liquidity, expansion plan and working capital.

The subsidiaries of the company place 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 and statutory reserve. Whereas dividend payment might be less than the specified rate depending on the operating performance, financial status, liquidity, expansion plan and working capital.

Dividend Payment Details of Year 2014, 2015 and 2016

Dividend Payment Detail	2014	2015	2016
1. Net profit from the consolidated financial statements (Million Baht)	236.31	272.35	-Net Profit: 113.32* -Retained Earnings Before Dividend Payout: 729.47*
2. Number of shares (Million Share)	676.75	676.75	676.75
3. Dividend per share (Baht/Share)	0.20	0.22	-Stock Dividend Payout: 0.2000 (5 existing shares per 1 new share) -Cash Dividend Payout: 0.022222222222**
4. Total dividend payment (Million Baht)	135.35	148.89	150.38
5. Payout ratio on net profit	57.28%	54.67%	130.71%
6. Dividend payout is whether in compliance with the company's dividend policy	In compliance with the company's dividend policy		

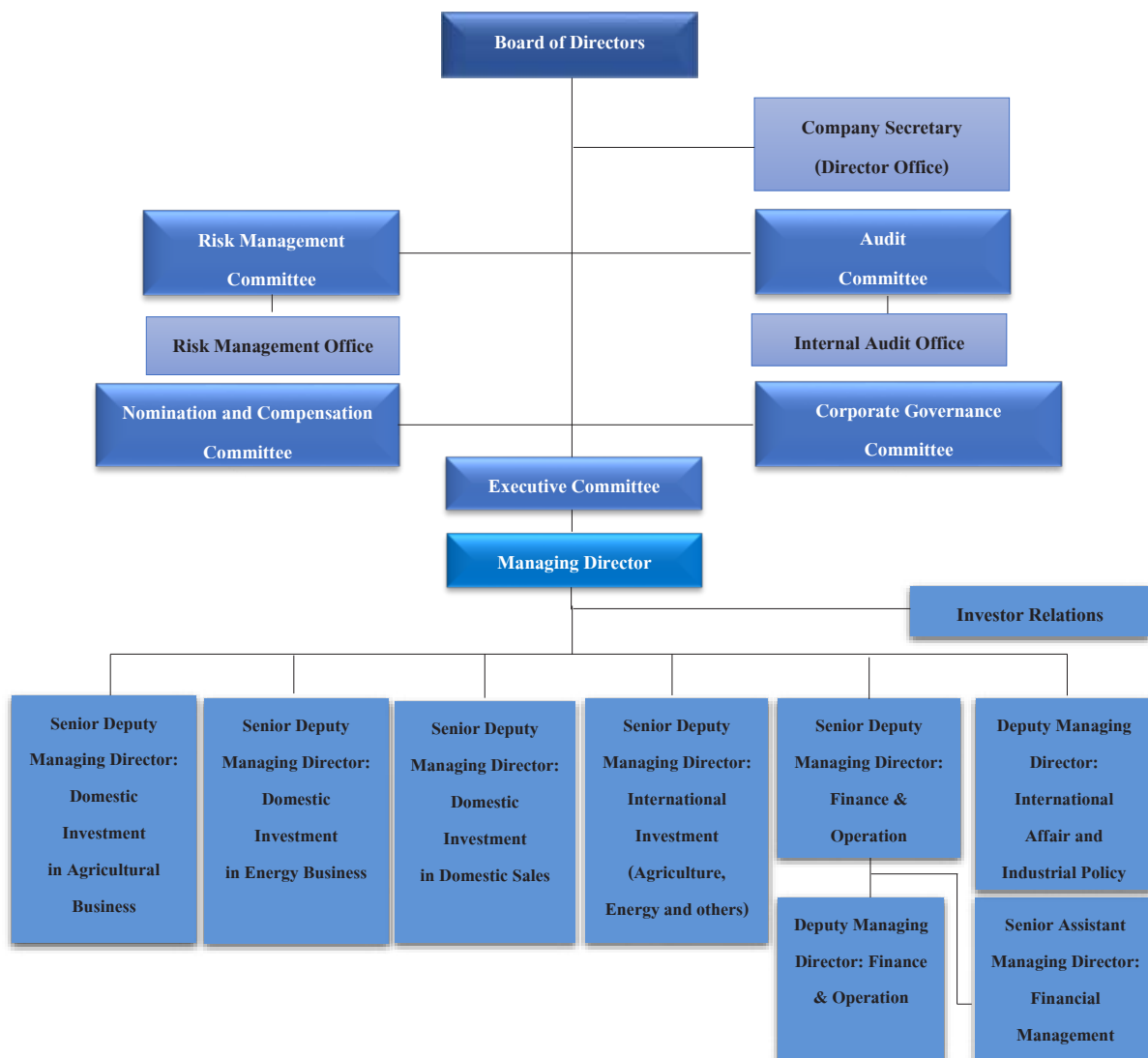
Remarks * In 2016, the dividend payout was derived from the net profit on the consolidated financial statements and retained earnings of the company.

**The total dividend was subject to withholding tax at the rate as specified by laws.

8. Management Structure

(1) Organizational Structure

Board of Directors had appointed 5 sub-committees which are Audit Committees, Risk Management Committee, Corporate Governance Committee, Nomination and Compensation Committee and Executive Committee in order to take actions in accordance with the particular tasks assigned by Board of Directors to operate the business smoothly in compliance with the principles of good corporate governance by having managing director as the highest level executive of the Company. Thus, any of the directors and senior executives has never been a former employee or partner of the current external auditor in the past 2 years.



(2) Management Structure

2.1 The Board of Directors

As of 31 December 2017, the Company has had 9 members on Board of Directors which consist of 3 members, or 33.33% , who are in the position of director only and 6 members, or 66.66% , who are both in the position of director and executive. However, there are 3 members, or 33.33% , who are the independent directors 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 have 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	Chairman of the Board of Directors (Independent Director) and Chairman of Audit Committee	15 October 2012
2. Mr. Anant Tangtongwechakit	Director, Chairman of Executive Committee, Chairman of Risk Management Committee and Managing Director (Authorized Director/ Executive)	13 September 1988
3. Mrs. Wanphen Punyaniran	Director (Authorized Director/ Executive of Subsidiary)	7 July 2012
4. Mrs. Jirawan Pongpichitkul	Director, Member of Executive Committee, Member of Risk Management Committee and Senior Deputy Managing Director: Domestic Investment in Agricultural Business (Authorized Director/ Executive)	11 November 2010 (Term Expired in 2018)
5. Miss Chittima Tangtrongwechakit	Director, Member of Executive Committee, Member of Risk Management Committee, Member of Nomination and Compensation Committee, Member of Corporate Governance Committee and Senior Deputy Managing Director: Domestic Investment in Domestic Sales (Authorized Director/ Executive)	12 May 1995
6. Mr. Sarit Tangtrongwechakij	Director, Member of Executive Committee, Member of Risk Management Committee and Senior Deputy Managing Director: International Investment (Authorized Director/ Executive)	25 June 2004
7. Mr. Adisak Tangtrongweachakit	Director, Member of Executive Committee, Member of Risk Management Committee, Member of Nomination and Compensation Committee, Member of Corporate Governance Committee and Senior Deputy Managing Director: Domestic Investment in Energy Business (Authorized Director/ Executive)	25 June 2004 (Term Expired in 2018)
8. Mrs. Seenual Tasanapant	Director (Independent Director), Member of Audit Committee, Chairman of Corporate Governance Committee and Chairman of Nomination and Compensation Committee	3 October 2014
9. Mr. Sirichai Sombutsiri	Director (Independent Director) and Member of Audit Committee	10 January 2013 (Term Expired in 2018)

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. 9/2017 of Buriram Sugar Public Company Limited (“the Company”) which was held on December 21, 2017 had the resolution to review the charter of Board of Directors in order to arrange and collect the information which is namely the composition, qualifications, appointment, qualifications, tenure and retirement, meeting, 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 Buriram Sugar Group (“BSG”) 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 have 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
 - Resolution from shareholders' meeting
 - 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 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 managing director is responsible to manage and supervise the business operation of the Company and its subsidiaries under the authorities assigned by the Board of Directors.

Thus, the authorities and responsibilities of the Chairman are specified as below:

1. Take responsibility as the leader of the Board of Directors in monitoring and supervising the operations of the Board of Directors and sub-committees.
2. Preside at the Board of Directors' meeting. In case of tie, the Chairman adds an additional vote as a casting vote.
3. Summon the Board of Directors' meeting or may assign another person to act on own behalf.
4. Preside at the shareholders' meeting and control the meeting to be in accordance with the company's articles of association regarding the meeting. Conduct the meeting according to the agenda items specified in the invitation notice, unless the meeting resolves to change the order of the agenda items required by votes of not less than two-thirds of the shareholders presenting at the meeting.
5. Engage in other acts as assigned by the Board of Directors.

Thus, the scope of duties of the 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, subsidiaries and associates.
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 budget of the Company.
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 effective measures to follow the performance of the Company, subsidiaries, and associates.
5. Provide an annual report of the company and/or the Board of Directors according to the laws and regulations.
6. Supervise and provide the mechanism of supervision and prevent the conflict of interest between stakeholders with companies, subsidiaries and associates.
7. Consider and approve and/or consider and give opinion in order to present to the shareholders' meeting for approval of the transactions that are significant to the company in compliance with laws, regulations, and related applicable rules and/ or the articles of association of the company, subsidiaries, and associates.
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/or 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 related regulations to propose 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 or executives of subsidiaries and/or associates should be in accordance with the shareholding proportion of subsidiaries and associates. Thus, the said nominated persons must have proper knowledge, ability and experience, must not have characteristics indicating a lack of appropriateness in respect of trustworthiness in managing business as specified in the notification of the SEC.
13. Consider the annual and interim dividend of the company, subsidiaries and associates.

14. Consider the remuneration criteria of the Board of Directors, sub-committees, and senior executives.
15. Considering the amount of the remuneration of the Directors in the company according to the criteria for compensation. Then, the Board of Directors propose such remuneration at the shareholders' meeting to consider and approve.
16. Evaluate the Managing Director' s performance and consider the remuneration amount according to the remuneration criteria specifies by the Board of Directors.
17. Appoint the sub-committees by recruiting the person who have knowledge, ability, and experience and qualified as the Board of Directors seem appropriate to be appointed as member in sub-committees, as well as specify the authority and scope of work of such committees.
18. Appoint one of the Executive Directors of the company as the Managing Director including instruct the scope of authority of the Managing Director.
19. Appoint the company secretary by recruiting the person who have knowledge, ability, and experience and qualified according to law and regulation.
20. Arrange the succession plan of Managing Director position by reviewing the plan annually.
21. Appoint and/or authorize 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. The Board of Directors may abolish, rescind, or change such authority.
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, completely, and transparently via easily accessible channel with equal and trustworthy treatment.
24. Create and modify laws and regulations within the company.
25. Have duties and responsibilities as defined in laws and regulations, articles of association, and resolution of shareholders' meeting.
26. Establish, review policies, and enhance the effectiveness of anti-corruption practices as well as monitor executives and management to comply with anti-corruption policy, code of conduct, and code of ethics, and act as a model steering such awareness to be a part in an organization culture. Thus, in case of any evidence indicating that one of the Board of Directors involves any actions or accepting or supporting corruption, the company will punish in line with the

working regulations, the highest penalty is the dismissal from service or termination of contract. In addition, in case of any actions breaking rules or laws, those who violate any laws will be punished in accordance relevant applicable laws.

27. Specify and review the good corporate governance and code of conduct and be aware of the duties and responsibilities as a leader to create sustainable value for the company, as well as supervise the development plan for enhancing the corporate governance suitable for the company's nature of business.

In addition, The Board of Directors or any authorized persons who have conflict of interest with company and/ or subsidiaries and/ or related companies do not have the right to approve the administration of conflict of interest or connected transactions except such transactions operated under policies and criteria considered and approved by the Board of Directors and/or shareholders' meeting (as the case may be) , which must be in accordance with laws, regulations, objectives and articles of association.

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 as appropriate, as well as specify each agenda clearly such as approval for reviewed or audited financial statements by an auditor, etc.
- 4.2 Assign the next year's annual meeting of the Board of Directors and sub-committees at the end of the year. In order to make the Board of Directors, sub-committees and executives to attend the meeting and give an opinion or approval in any matter.
- 4.3 Regarding the Board of the Directors' meeting, the Chairman or other authorized person is responsible for sending an invitation at least 7 days before the meeting. Unless it is necessary and urgent or is to protect the right and benefit of BSG, the meeting can be arranged in other way or earlier than the specified meeting date. Thus, 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 receive proper and timely information. The company secretary will ensure that Directors received the agenda and supporting documents prior to the meeting.
- 4.5 Minutes of meeting must have been written and kept as an evident if approved by the Board of Directors, which the Board of Directors and related persons can check such minutes of meeting.

- 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 appointed 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 vote in the meeting. Interested directors do not have right to vote. The resolution of the meeting decided by the majority vote. If the votes are equal the Chairman of the meeting shall have a final vote.
- 4.9 The company secretary will record the minutes of the meeting.

5. Report

- 1.1 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.
- 1.2 The Board of Directors will prepare the report on the Board of Director's Responsibility for the financial statements together with the report of the auditors and disclose in the annual registration statement (Form 56-1) and annual report (Form 56-2).
- 1.3 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 of the Board of Directors, sub-committees, and managing director

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 February, 2015, which was applied according to the company and its subsidiaries' businesses. 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/ 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/ company 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 way 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 has provided the additional evaluation of sub-committees which was started in 2017 onwards in line with the criteria as mentioned above.

For the evaluation of the Managing Director, the Board of Directors considered evaluating in every year by using annual evaluation from Corporate Governance Center registered in 2011 of the Stock Exchange of Thailand and/or other appropriate sources as reference together with the company operating performance. 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 office of directors/ company secretary in mid-January to conclude the assessment and present to the Nomination and Compensation Committee prior to the Board of Directors' meeting for approval.

7. The Remuneration of Directors, sub-committees and senior executives

The Board of Directors is aware of remuneration to all Directors, sub-committees and senior 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 Compensation 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 senior 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 in 2015 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 senior 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 senior 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 senior executives

The Board of Directors has policies to promote and facilitate training and educating Directors and those involved in corporate governance systems of BSG 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) and/ or Director Certification Program (DCP) from Thai Institute of Directors Association (IOD).

In addition, the office of directors/ company 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. There are compulsory trainings for the Board of Directors and members in sub-committees, and interesting trainings. In each

year the company will encourage at least 1 director as well as members in sub-committees and executives 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, the 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 corporate governance and code of conduct of BSG in order to realize the role and scope of duties and authorities of the Board of Directors and also the code of ethics and insider trading and so on. 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.

10. The Independence of the Board of Directors and Definition of Independent Directors

- 10.1 The Board of Directors must be neutral, not be influenced by the control of executives or management or a group or juristic person because the Board of Directors is the representative of shareholders who select in order to protect the interests of all shareholders.
- 10.2 The Board of Directors should have leadership, vision and independence in making decisions for the best benefit of BSG, and all shareholders. The Chairman must be able to control the operation of the executives or management effectively.
- 10.3 The Board of Directors should provide a clearly separation of roles and responsibilities between the Board of Directors and the management.
- 10.4 Maintain the balance of power within the Board of Directors, so all directors can express their opinions independently. Therefore, the composition of the Board of Directors shall consist of executive and non-executive directors.
- 10.5 The independent directors are able to access the financial data and business information adequately in order to provide opinions independently and preserve the benefit of all shareholders and company.

10.6 The independent directors must have the independent qualifications in accordance with the Securities and Exchange Commission as well as other qualifications are required. For the composition and appointment of independent directors, the Board of Directors will fundamentally consider the qualifications of a person who will be appointed as an independent director with the qualifications and disqualification of directors under the Limited Public Company Act, law on the securities and exchange, Notification of the Capital Markets Supervisory Board, as well as relevant notifications, rules and/or regulations. Moreover, the Board of Directors will consider and select an independent director who is qualified, expertise, competent, and use other appropriate elements for additional consideration, and then propose such matter at the shareholders' meeting for further appointment. Thus, the company has a policy to appoint the independent directors at least 1/3 of the total number of directors, which consists 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 (as amended) as follow:

- The person must hold no more than 1% of shares with voting rights of the Company, the parent Company, the subsidiaries, the associates, the major shareholders or the entities with the authority to control the Company; inclusive of shareholding by individuals related to such independent directors
- The person must not be serving, or have served, as a director who is involved with the management, or a staff member, an employee or a consultant with a monthly wage. The person also must not be or be an individual with the authority to control the Company, the parent Company, the subsidiaries, the associates, the associates of the same level, the major shareholders or of the entities with the authority to control the Company, with the exception of the case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director. The ineligibility however does not include the case where an independent director has previously served as a public servant or a consultant of a government agency which is a major shareholder of, or an entity with the authority to control the Company.
- The person must not be related by blood or law as father, mother, spouse, sibling or child, spouse of son or daughter of executives, major shareholders, individuals with the authority to control the Company or candidates for the position of an executive or an individual with the authority to control the Company or a subsidiary.

- The person must not have, or have had, a business relationship with the Company, the parent Company, the subsidiaries, the associates, the major shareholders or the entities with the authority to control the Company, in such a manner that may interfere with one's independent discretion. The person also must have not been or has been a shareholder, individuals with the authority to control the Company, of the person who has business relationship with the Company, the parent Company, the subsidiaries, the associates, the major shareholder or the entities with the authority to control the Company. There is an exception in the case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director. The business relationship as described is inclusive of normal trading transactions for the conduct of business; lease or letting of immovable; transactions relating to assets or service; provision or acceptance of financial assistance through acceptance or provision of loans and guarantees, the use of assets as collateral and other such practices which result in the Company or the party to the agreement being under the obligation to repay the other party for an amount from 3% of net tangible assets of the Company or from Twenty Million Baht whichever is lower. The calculation of such obligation to debt is to be in accordance with the related transaction value calculation method as per the Announcement of the Capital Market Supervisory Board on the Related Transaction Criteria with exceptions. The said obligation to debt includes that which has materialized during the period of one year prior to the day of business relationship with the same individual.
- The person must not be, or has been, an auditor of the Company, the parent Company, the subsidiaries, the associates, the major shareholders or the entities with the authority to control the Company. The person also must not be a significant shareholder, an individual with the authority to control or a partner of the audit office with which the auditor the Company, the parent Company, subsidiaries, the associates, the major shareholders or the entities with the authority to control the Company is associated. There is an exception in such case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director.
- The person must not be, or has been, a provider of a professional service including the service as a legal consultant or a financial consultant for which greater than Two Million

Baht of fee is paid per year by the Company, the parent Company, subsidiaries, the associates, the major shareholders or the entities with the authority to control the Company. The person also must not be a significant shareholder or an individual with the authority to control or a partner of such provider of professional service. There is an exception in such case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director.

- The person must not be a director appointed to represent a director of the Company, a major shareholder or a shareholder who is related to a major shareholder.
- The person must not be in a business of the same nature as, and of significant competition to, that of the Company or an associate. The person also must not be a significant partner in a partnership; a director who is involved with the management; a staff member; an employee; a consultant with a monthly wage; as well as, a shareholder who holds more than 1% of shares with voting rights of another Company which is engaged in a business of the same nature as and of significant competition to that of the Company or an associate.
- The person must not have any other characteristic which an obstacle to the giving of free opinion on the operation of the Company.
- The person must not be assigned by the Board of Directors to make a consideration relating to the business operations of the Company, the subsidiaries, the associates, for the subsidiaries in the same level, the major shareholders, or controlling persons.

11 The number of listed companies that the directors and managing director hold office

The Board of Directors recognizes the importance of dedication and time of the directors and managing director to perform their duties effectively. In order to maximize the benefit of the company through the directors' and managing director's competence, the Board of Directors has a policy to define the number of listed companies and other companies that directors or executives hold office according to the good corporate governance principles as follows;

- 11.1 The directors can hold office as directors of other listed companies not more than 5 listed companies whose type of business not competitive with the Buriram Sugar Group's. In addition, they must dedicate their time, competence to perform duties for the company sufficiently and effectively. Thus, the holding office as a director of other listed companies must be proposed at the Board of Directors' meeting for acknowledgement.

11.2 The managing director's holding office as a director or an executive of other companies or listed companies that are not a subsidiary of the Buriram Sugar Group must be proposed at the Board of the Directors' meeting for approval on the consideration of the appropriateness of such business which is not competitive with the Buriram Sugar Group's type of business, as well as the dedication of time and competence to work for the company sufficiently.

12 Sub-Committees

The Board of Directors has established 5 sub-committees: Audit Committee, Risk Management Committee, Corporate Governance Committee, Nomination and Compensation Committee, and the Executive Board in order to execute the specific matters assigned by the Board of Directors to ensure smooth business operations and in compliance with the good corporate governance. Thus, each charter is clearly defined with composition, roles, and responsibilities, and should be reviewed on a yearly basis.

2.2 Audit Committee

As of 31 December 2017, the Audit Committee has consisted of 3 members as follows.

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

Remark: Mrs. Seenual Tasanapant and Mr. Sirichai Sombutsiri are audit directors who have sufficient knowledge and experiences to be responsible to review the accountability of financial statement.
Ms. Pornpip Winyupakorn, the internal audit manager is the secretary to the Audit Committee.

The Charter of Audit Committee has been reviewed with the approval of the Board of Directors' Meeting No. 8/2017 on November 14, 2017 as follows:

1. Charter of Audit Committee

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.

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.

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.

2. Tenure

- 2.1 The tenure of audit committees is in accordance with the tenure of Board of Directors.
- 2.2 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.

3. The Meeting

- 3.1 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 as well as monitor and evaluate the performance of Internal Audit Office.
- 3.2 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.
- 3.3 The Audit Committee may invite management department or related persons to attend the meeting, make a comments or shipping documents as necessary.
- 3.4 The Directors who have interests in any matter must not attend the meeting or abstain from expressing an opinion on that matter.

4. Duty and Responsibility

4.1 Internal Control

- 1) Review the company's internal processes to obtain suggestion and complaint including review the policy and internal control on risk assessment of corruption to ensure the effectiveness of anti-corruption practices according to Internal Audit Office' s review and evaluation and report it on self-assessment by Thai Institute of Director.
- 2) Provide a proper and effective internal control and internal audit.
- 3) Ensure that the company has proper working process with risk management, control, supervision, technology information and security of the data and communication network.
- 4) Provide the Audit Committee with overall performance and annual evaluation.

4.2 Internal Audit

- 1) Consider and evaluate the internal control system that the internal audit office has already checked to ensure the appropriate action of the system and present the result to the Board of Director for consideration.
- 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 or other related office in charge of internal audit.

4.3. Financial and audit reports

- 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. The Audit Committee may assign auditor to review or audit in any matter as necessary, and significant matter on the auditing process.
- 2) Consider and nominate the independent person to act as auditor and present the auditor' s remuneration. As well as arrange the meeting with the auditor without the management department in attendance at least 1 time a year.
- 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 for correct financial reports and effective business operation of the company.

4.4 Following the law and related regulation

- 1) Carry out the review to ensure compliance Securities and Exchange Acts, regulation of the Stock of Thailand' s regulation, and any other relevant laws.

- 2) Ensure that the company complies all related rules and the notification of the Stock Exchange of Thailand when there is a connected transaction or transaction that may lead to conflict of interests which give the company the maximum advantage and reasonableness, as well as disclose such transactions or conflict of interest in a complete and appropriate manner.
- 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:
 - The opinion about accuracy and completeness to make the financial report of the company reliable.
 - The opinion about the adequacy of the internal control system in the company.
 - The opinion about compliance with the Securities and Exchange Commission's and the Stock Exchange of Thailand's laws and regulation and other laws relevant to the company's business.
 - The opinion about the appropriateness of the auditor.
 - The opinion about the transactions that may have conflicts of interest.
 - The number of Audit Committee meetings and the attendance of each member in the Audit Committee.
 - Opinions or overall observation that the Audit Committee has the duty under the charter.
 - Other matters that shareholders and investors should know under the scope of duties and responsibilities as assigned by the Board of Directors.
- 4) If the Audit Committee find or suspect the list of the following actions which may have a significant impact on the financial statements and results of operations of the company. They must report to the Board of Directors immediately.
 - The transactions that may cause the conflicts of interest.
 - The corruption and unusual activity towards internal control system.
 - Violation of the law or regulation of Securities and Exchange Commission and Stock Exchange of Thailand or other related laws.

If the Board of the Directors fails to achieve the objective in time then one member of the Audit Committee will make a report to The Securities and Exchange Commission or the Stock Exchange of Thailand.

4.5 Other responsibility

- 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.
- 2) Review and update the charter of the Audit Committee and present to the Board of Directors for approval.
- 3) Carry out any other duties assigned by the Board of Directors with the approval of the Audit Committee.

Report

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, corruption, deficiencies on internal control against the laws, regulations of the Stock Exchange of Thailand or governmental rules.
2. The Audit Committee's monitoring activities disclosed in the company's annual report, its report with the Chairman of Audit Committee's signature.
3. Prepare a report on the governance of the Audit Committee by disclosing in the annual report of the company. The report must be signed by the Chairman of the Audit Committee

2.3 Risk Management Committee

As of 31 December 2017, the Risk Management Committee has consisted of 5 members as follows.

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

In addition, Miss Kaynica Tanawechayasiri, assistant to risk management manager is the secretary to the Risk Management Committee. Besides, the Charter of the Risk Management Committee has been reviewed with the approval of the Board of Directors' Meeting No. 9/2017 on December 21, 2017 as follows:

Charter of Risk Management Committee

This Charter of Risk Management Committee is effective on March 2, 2017 onwards.

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.

Composition

1. The Board of Directors will appoint Risk Management Committee and Chairman of Risk Management Committee by nominate the Directors and/or executives and/or those who have sufficient knowledge and experience in risk management or the company's type of business. There must be at least 3 members in the Risk Management Committee.
2. The Risk Management Committee will appoint secretary, selected from the senior of Risk Management Office or other person whom the Risk Management Committee seem appropriate, who in charge of risk management in order to assist about the meeting, prepare the agenda, submission of documents for meetings and minutes of meeting.

Tenure

1. The tenure of risk management committee is in the same period of the Board of Directors'. Regarding the expired term of service, he or she can be elected for a new position as the Board of Directors seems appropriate.
2. The Risk Management Directors who retired by rotation may be appointed to the position again. If approved by the Board of Directors.
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

Scope of Duties

1. Provide support to the Board of Directors in determining the policy at the level of acceptable risk.
2. Present an overview of the company's risks and how to manage and track the risk to the Board of Directors.
3. Review reporting and risk management and take steps to ensure that risk management is sufficient, adequate, and in an acceptable level.
4. Coordinate with the Audit Committee by sharing knowledge and information about the risk and internal control effect that may affect the company.
5. Make the decision and provide advice on important problems occurred in the process of risk management.
6. Support the risk management culture in the organization.
7. Evaluate the performance of the Risk Management Committee and report on the annual assessment to the Board of Directors.
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.
9. Consider and review the guidelines for the risk management of the company as well as provide the suggestions for improvement.
10. Supervise, monitor and review the effectiveness of the risk management process of the company on a regular basis.
11. Appoint the risk management working group as appropriate.
12. Promote any procedures relating to the anti-corruption management and anti-corruption policy.

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.

The Meeting

1. Arrange a meeting at least once a quarter and may invite the management, or executives or employees involved with related matter, or who saw fit to attend the meeting, comment or submit the information as necessary.
2. The quorum of the Risk Management Committee meeting must contain the number of the Directors at least 2/3 in total.

3. The Directors who have conflict of interest in any matter must not attend the meeting or abstain from expressing an opinion on that matter.
4. Each director has one vote in the meeting, and the decisions of the meeting resolved by the majority vote. If the votes are equal the Chairman of the meeting shall have a final vote.

Report

Report on the performance of the Risk Management Committee should be presented to the Board of Director for acknowledgement and disclosed in the annual report of the company that signed by the Chairman of the Risk Management Committee.

Performance Evaluation

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

2.4 Corporate Governance Committee

As of 31 December 2017, the Corporate Governance Committee has consisted of 3 members as follows.

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

In addition, Miss Patcharee Kosanam, director officer manager and company secretary, is the secretary to the Corporate Governance Committee. Besides, the Charter of the Corporate Governance Committee has been reviewed with the approval of the Board of Directors' Meeting No. 9/2017 on December 21, 2017 as follows:

Composition, Qualifications and Appointment

1. Composition and appointment

- 1.1 There must be at least 3 members and the majority must consist of independent directors. 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 Committee. The Corporate Governance Committee must nominate 1 independent director as the Chairman.

- 1.2 The Board of Directors will appoint the directors to be in the position of the Corporate Governance Committee. If the Corporate Governance Committee is retired by rotation, he or she may be reappointed by the Board of Directors in another term.
- 1.3 The Company will select and nominate the employee to act as secretary of the committee with approval of the Corporate Governance Committee.

2. Qualification

- 2.1 Stay in the position of director who has no bias and work independently in accordance with corporate governance policy.
- 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 of directors, executives and management in compliance with the Code of Conduct, Good Governance Policy, and Anti-Corruption Policy as well as knowledge of the business operation, working experience, and also well understanding of roles, duties and responsibility of the Corporate Governance Committee.
- 2.3 Dedicate time to carry out their duties in order to achieve the objectives of the Corporate Governance Committee.

Tenure and Retirement

1. Tenure

- 1.1 Directors of the Corporate Governance Committee have tenure same as the Directors' position.
- 1.2 In case of resignation or retirement which affects to the insufficient number of the Corporate Governance Committee as determined in this charter, the Board of Directors must appoint a new corporate governance director to fulfil the insufficient number of such committee within 3 months since the date that the amount of member in this committee is insufficient.

2. Retirement

- 2.1 Corporate Governance Committee shall retire as following situations
 - Decease
 - Resign
 - Retire from the position of director
 - The resolution approved by Board of Directors
 - Disqualification or having the prohibited characteristics as provided by laws.

- 2.2 In case of resignation, the Corporate Governance Committee must submit the resignation letter to the Chairman of the Board of Directors and shall be effective since the date that Chairman of the Board of Directors sign and approve this resignation.

Scope of Duties

1. Arrange the policies, rules and guidelines according to the Code of Conduct and Good Governance Principles for the standard to directors, executives and employees to comply with.
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 as well as review the Code of Conduct and Good Corporate Governance Principles on a yearly basis and present it to the Board of Directors.
3. Supervise the operation of directors, executives and management according to the Code of Conduct and Good Governance Policy.
4. Set the compliance practices related to anti-corruption.
5. Prepare a report on corporate governance and the performance of the Corporate Governance Committee to the Board of Directors and disclose such report in the annual report and annual registration statement (Form 56-1).

In addition, The Corporate Governance Committee or any authorized persons who have conflict of interest with company and/or subsidiaries and/or related companies do not have the right to approve the administration of conflict of interest or connected transactions except such transactions operated under policies and criteria considered and approved by the Board of Directors and/or shareholders' meeting (as the case may be) , which must be in accordance with laws, regulations, objectives and articles of association.

Meeting

1. Meeting Arrangement

- 1.1 The Corporate 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 Corporate Governance Committee must attend the meeting at least 75% of the total amount of the meeting in each year.
- 1.2 The chairman of the Corporate Governance Committee may call the meeting as a special case if a member or the chairman seems necessary.

2. Attendance

- 2.1 The Corporate Governance Committee's meeting must contain the directors more than a half of all membership as a quorum. Chairman of the Corporate Governance Committee is the chairman of the meeting.
- 2.2 In case of the Chairman cannot attend the meeting then the Corporate Governance Committee will appoint 1 of the directors to act as the Chairman.
- 2.3 If the secretary cannot attend the meeting, the Corporate Governance Committee will appoint someone to act as the representative.

3. Voting

- 3.1 The meeting resolution depends on the majority vote of which the directors present at the meeting. If the votes are equal, the Chairman of the meeting shall have a final vote.
- 3.2 The directors who have conflict of interests in any agenda have no right to vote.

4. The Meeting Record

The secretary of Corporate Governance Committee or any assigned persons must record the minutes of meeting.

Report

1. The Corporate Governance Committee must report any matter concerning to Code of Conduct, the Good Governance Policy and anti-corruption as well as related compliance practices to the Board of Directors for approval, and/or present other agenda on such actions to the Board of Directors for acknowledgement.
2. The Chairman of the Corporate Governance Committee 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:
 - 2.1 The amount of the meeting.
 - 2.2 The amount of each director that attends the meeting.
 - 2.3 The result of the operation according to the charter.

Performance Evaluation

The Corporate Governance Committee must evaluate their own performance and report the result as well as the problem and obstacle (if any) to the Board of Directors.

The Remuneration

The Corporate Governance Committee 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 Compensation Committee

As of 31 December 2017, the Nomination and Compensation Committee has consisted of 3 members as follows:

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

In addition, Miss Patcharee Kosanam, director officer manager and company secretary, is the secretary to the Nomination and Compensation Committee. Besides, the Charter of the Nomination and Compensation Committee has been reviewed with the approval of the Board of Directors' Meeting No.9/2017 on December 21, 2017 as follows:

1. Composition, Qualifications and Appointment

1.1 Composition and appointment

1.1.1 There must be at least 3 members and the majority must consist of 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 Compensation Committee. The Nomination and Compensation Committee must nominate 1 independent director as the Chairman of committee.

1.1.2 The Board of Directors will appoint the directors to be in the position of the Nomination and Compensation Committee. If a member of the Nomination and Compensation Committee is retired by rotation, he or she may be reappointed by the Board of Directors in another term.

1.1.3 The company will select and nominate an employee to act as secretary of the committee with approval of the Nomination and Compensation Committee.

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 Compensation Committee including provide advices to Board of Directors as well as oversee the operations according to the Code of Conduct and good governance policy, and also possess working experience, and well understanding of roles, duties and responsibility of the Nomination and Compensation Committee.
- 1.2.3 Dedicate time to carry out their duties in order to achieve the objectives of the Nomination and Compensation Committee.

2. Tenure and Retirement

2.1 Tenure

- 2.1.1 The tenure of the Nomination and Compensation Committee is in accordance with the tenure of directors
- 2.1.2 In case of resignation or retirement which affects to the insufficient number of the Nomination and Compensation Committee as determined in this charter, the Board of Directors must appoint a new Nomination and Compensation director to fulfil the insufficient number of such committee within 3 months since the date that the amount of member in this committee is insufficient.

2.2 Retirement

- 2.2.1 The Nomination and Compensation Committee shall retire as following situations
- Decease
 - Retire from the position of director
 - Lack of qualifications of the Nomination and Compensation Committee or characteristics against the laws and regulations
 - Resign
 - Resolution approved by Board of Directors
- 2.2.2 In case of resignation, a member of the Nomination and Compensation Committee must submit the resignation letter to Chairman of the Board of Directors and shall be effective since the date that the Chairman of Board of Directors sign and approve this resignation.

3. Scope of Duties

3.1 The Nomination

- 3.1.1 Specify policy, criteria, and guidelines for appropriate nomination of directors and executives as well as sub-committees to let the Board of Directors consider. The nominated persons are considered by qualifications, education, knowledge, skills, expertise, experience in related companies as well as the independence of directors according to specified criteria in order to

lead the guidelines for the company's goals, vision, and mission. Such criteria of nomination practices is in accordance with the Good Corporate Governance Principles.

- 3.1.2 Provide selection and nomination of Directors and senior Executive including the Committees who qualified according to the criteria, and present to the Board of Directors and shareholders' meeting for approval respectively.
- 3.1.3 Consider and suggest the structure, size and composition of the Board of Directors that appropriate with the company, and keep update the changing situation of business, and domestic and international society.
- 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 Chairman of Executive Board, and senior executive in order to make the management and operation of the company continuously and effectively, which is presented to the Board of Directors for consideration.
- 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 directors, sub-committees and executives in annual report and the annual registration statement (form 56-1).

3.2 The Compensation

- 3.2.1 Define and review policies, rules, and form the proper remuneration or other benefits to directors, sub-committees, and executives suitable to roles and responsibility according to the company's operating results with fairness.
- 3.2.2 Offer appropriate compensation and/ or other benefit to directors, sub-committees, and executives to motivate and retain the Directors who have the ability and potential according to the company's operating results and the benefit of shareholders, and present to the Board of Directors and shareholders' meeting for approval respectively.
- 3.2.3 Define the performance evaluation of directors, sub-committees and executives for the proper annual compensation.
- 3.2.4 Disclose the criteria and information of remuneration and/ or other benefit of directors, sub-committees, and executives, and report of remuneration criteria and opinions of the Nomination and Compensation Committee in annual report and the annual registration statement (form 56-1).

3.2.5 Review the policies, guidelines and terms and conditions of nomination and compensation as well as other benefits of directors, sub-committees and executives every year.

3.2.6 Responsible to any other matter assigned by Board of Directors.

Thus, the authority of the Nomination and Compensation Committee does not include the power to approve any transaction with conflict of interest or any matter the Nomination and Compensation Committee or related persons with interested director of such committee, or other benefit considered conflict with the company under the regulations of the Stock Exchange of Thailand. Such transactions must be approved by the Board of Directors' and/or shareholders' meeting in compliance with the company's articles of association or related laws, except transactions are in the type of ordinary and normal business transaction which the Board of Directors clearly specifies.

4. The Meeting

4.1 Meeting Arrangement

4.1.1 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 Committee must attend the meeting at least 75% of the total amount of the meeting in each year.

4.1.2 The Chairman of the Nomination and Compensation Committee may call the meeting as a special case if a member or the chairman seems necessary.

4.2 Attendance

4.2.1 The meeting of Nomination and Compensation Committee must contain the directors more than a half of all membership as a quorum. Chairman of the Nomination and Compensation Committee is the chairman of the meeting.

4.2.2 In case of the Chairman cannot attend the meeting then the Nomination and Compensation Committee will appoint 1 of the Directors to act as the Chairman.

4.2.3 If the Secretary cannot attend the meeting, the Nomination and Compensation Committee will appoint someone to act as the representative.

4.3 Voting

4.3.1 The meeting decision depends on the majority vote. 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 Compensation Committee or any assigned persons must record the minutes of meeting.

5. Report

- 5.1 The Nomination and Compensation Committee must report the nomination results of directors, executives, and sub-committees as well as the remuneration to the Board of Directors' meeting for approval along with any matter agendas concerning to operating performance to the Board of Directors for acknowledgement.
- 5.2 The Chairman of the Nomination and Compensation Committee 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:
- 5.2.1 The amount of the meeting.
- 5.2.2 The amount of each Director attending the meeting.
- 5.2.3 The result of the operation according to the charter.

6. Performance Evaluation

The Nomination and Compensation Committee must evaluate their own performance and report the result as well as the problem and obstacle (if any) to the Board of Directors.

7. The Remuneration

The Nomination and Compensation Committee 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 Committee

As of 31 December 2017, the Executive Committee has consisted of 5 members as follows.

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

In addition, Miss Patcharee Kosanam, director officer manager and company secretary, is the secretary of the executive committee. Besides, the Charter of Executive Committee has been reviewed with the approval of the Board of Directors' Meeting No. 9/2017 on December 21, 2017 as follows:

1. Composition, Qualifications and Appointment

1.1 Composition and Appointment

- 1.1.1 The Executive Committee must be company directors and/or executives appointed by the Board of Directors as deemed appropriate and must consist of at least 3 directors and/or executives. The Board of Directors appoints one executive director to act as Chairman of Executive Board.
- 1.1.2 The Board of Directors will appoint directors and/or executives to work in the Executive Committee. If the Executive Directors are retired by rotation, they may be reappointed by the Board of Directors
- 1.1.3 The company will select and nominate employees to act as secretary of the committee with approval of the Executive Committee.

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 possess knowledge of management, finance, accounting, or business related to Buriram Sugar Group ("BSG") and well understanding of roles, duties, and responsibility of the Executive Board.
- 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 director or executive position.
- 2.1.2 In case of resignation or retirement which affects to the insufficient number of the Executive Committee as determined in this charter, the Board of Directors must appoint a new executive director to fulfil the insufficient number of such committee within 3 months since the date that the amount of member in this committee is insufficient.

2.2 Retirement

- 2.2.1 The executive committees shall retire as following situations
 - Decease
 - Resign

- Retire from the director or executive position - Resolution approved by Board of Directors
- Lack of qualifications of executive director or characteristics against the laws and regulations

2.2.2 In case of resignation, the executive director 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 Consider, define, give opinions on vision, mission, policies, business strategies, goals and framework, financial goals and budget and report to the Board of Directors for approval.
- 3.2 Supervise and monitor the business operation in line with vision, mission, policies, business strategies, goals, and framework, financial goals and budget approved by the Board of Directors.
- 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 Managing Director and/ or Human Resources and Administration Manager to be in charge in signing the employment contract.
- 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 the Executive Boards deem appropriate in order to operate in line with company's objectives as well as consider and approve investment expenses, any contracts and/ or any related matters to be completed. The Executive Board will approve the budget for each project start at 20 Million Baht but less than 100 Million Baht. Thus, the expenses must not exceed the annual budget approved by the Board of Directors.
- 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 for the benefit of the company as well as consider and approve any contracts and/ or any related matters to be completed. The Executive Board will approve the budget for each project start at 20 Million Baht but less than 1 Billion Baht. Thus, the expenses must not exceed the annual budget approved by the Board of Directors.
- 3.6 Consider and approve the contract or financial instruments such as the right to buy or sell sugar or the forward contract and so on in order to avoid the financial risk.

- 3.7 Consider and make suggestion about the project proposal or any transaction involving the company's operations exceeding the amount of budget and/ or according to the laws and regulations or article of association specifying to receive approval from shareholders' or Board of Directors' meeting.
- 3.8 Consider and approve the work and operations or any action which may affect the company.
- 3.9 Appoint the Managing Director to conduct the business of the company based on the duties, roles and responsibilities as prescribed by the Board of Directors under corporate governance of the Executive Board.
- 3.10 Assign and/or appoint executive director or any person to take any action within the authority of Executive Committee as the Board of the Director deem appropriate. The Executive Committee may cancel, dismiss, or change such authority.
- 3.11 Consider and approve the authorization handbook, so the person who have been appointed or authorized will aware of the scope of responsibility of their own and follow the handbook in a systematic manner.
- 3.12 Responsible in any matter or policies that assigned or by The Board of the Directors.
- 3.13 Encourage and establish an effective anti-corruption system as well as communicate such matter with employees and supervise them to comply with the anti-corruption policy, good corporate governance handbook and code of conduct and also act as an example for all employees. Thus, in case of any evidence indicating that one of the Executive Board involves any actions or accepting or supporting corruption, the company will punish in line with the working regulations, the highest penalty is the dismissal from service or termination of contract. In addition, in case of any actions breaking rules or laws, those who violate any laws will be punished in accordance relevant applicable laws.
- 3.14 Study and comply with the good corporate governance principles, code of conduct as well as laws and relevant regulations.

Thus, the authority of the Executive Committee or authorized persons who have conflict of interest with company and/or subsidiaries and/or related companies do not have the right to approve such transactions, except such transactions are in accordance with policies and criteria considered and approved by the Board of Directors and/or shareholders' meeting (as the case maybe) under the laws, objectives and articles of association.

4. The Meeting

4.1 Meeting Arrangement

- 4.1.1 The Executive Directors must attend the meeting at least at least 75% of the total amount of the meeting.

4.2 Attendance

- 4.2.1 The Executive Committee's meeting must contain the directors more than a half of all membership as a quorum. The Chairman of Executive Committee is the chairman of the meeting.
- 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 resolution depends on the majority vote. 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 Committee or any assigned persons must record the minutes of meeting.

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 in line with the authority of the executive committees reporting or request approval at the Board of Directors' meeting.
- 5.2 The executive committees and the management must prepare an analysis and explanation from MD&A about the operation of the past year to shareholders by disclosing 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 (if any) to the Board of Directors for acknowledgement.

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 under the managing director including persons who are management of accounting and finance and in higher position of division manager or equivalent.” As of 31 December 2017, 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 (resigned on April 2017)
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 the Managing Director (CEO)

In the nomination of the Managing Director (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, well understanding of the company’s type of business, and lead the business operations to the company’s objectives and goals specified by the Board of Directors, and present or report the operations to the Board of Directors for approval.

The scope of duty

1. Responsible for business operations and/or day-to-day operation and supervise the overall operation in line with objectives, articles of associations as well as vision, mission, policies, business strategies, goals and operating plan, financial goals and budget approved by the Board of Directors.
2. Consider, negotiate and approve any acquisition of a legal contract and/or any actions related to the operation and/or business operations on a regular basis. The expenses of each transaction do not exceed 20 Million Baht. The expenses must not exceed the annual budget approved by the Board of Directors.
3. Consider and provide a suggestion of a legal contract or any actions related to the operation and/or business daily routines of the company with the expenses exceeding the specified budget attached with opinions and present to the Board of Directors and/or Executive Committee for consideration and conclusion.
4. Study the feasibility of investing in the new project and consider approving the investment with person or entity with other business organizations as the Executive Committees deem appropriate in order to achieve the objective of the company as well as consider and approval the investment amount, encounter a legal contract and/or any related actions to be completed. The budget of each transaction does not exceed 20 Million Baht.
5. Consider and approve financial transaction with financial institutions to open a loan account, loan, mortgage, pledge, guarantee and other related transaction including trading and registration of title to land in the company's objectives for the benefit of the company as well as encounter any contracts and/or any related matters to be completed. The budget for each transaction does not exceed 20 Million Baht.
6. Create the term of trade such as payment period, credit limit and trading contract, amendment of trading terms and conditions and so on. The budget of each contract does not exceed 20 Million Baht. The expenses must not exceed the annual budget approved by the Board of Directors.
7. Consider the employment, appointment, transfer, dismissal, duty and proper compensation of employees with positions of department manager or lower in line with the policies specified by the Executive Committees.
8. Appoint the advisor that necessary to the business operation and/or daily routines of the company.
9. Appoint and/or assign any person to be in charge in any actions under the Managing Director's authority as the Managing Director seems appropriate. The Managing Director may cancel, dismiss or change the assigned authority of such person.

10. Have the authority and responsibility according to the policy or assigned by the Board of Directors and/or Executive Committee.

11. Establish the effective anti-corruption system in order to prevent the corruption activities in the organization in compliance with anti-corruption policy, good corporate governance handbook, and code of conduct as well as act as a model for employees in such matter.

Thus, the authority of the Managing Director or authorized persons who have conflict of interest with company and/ or subsidiaries and/ or related companies do not have the right to approve such transactions, except such transactions are in accordance with policies and criteria considered and approved by the Board of Directors and/or shareholders' meeting (as the case maybe) under the laws, objectives and articles of association.

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 Directors (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
- Advances for Corporate Secretaries, Class 2/2016 from Thai Listed Companies Association

Thus, the Board of Directors specifies appointment, roles, duties and responsibility of the company secretary as follows;

- **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 of Directors in various ways such as the Board of Directors' meeting, shareholders' meeting, minutes of meetings, gathering and arranging important document according to laws, annual report preparation as well as good corporate governance, and giving the suggestions relating to basis of laws, rules and regulations to the Board of Directors. The company secretary is a Director Office Manager. Thus, the company determines the qualifications and responsibilities of the company secretary as follows:

1. Education and Training

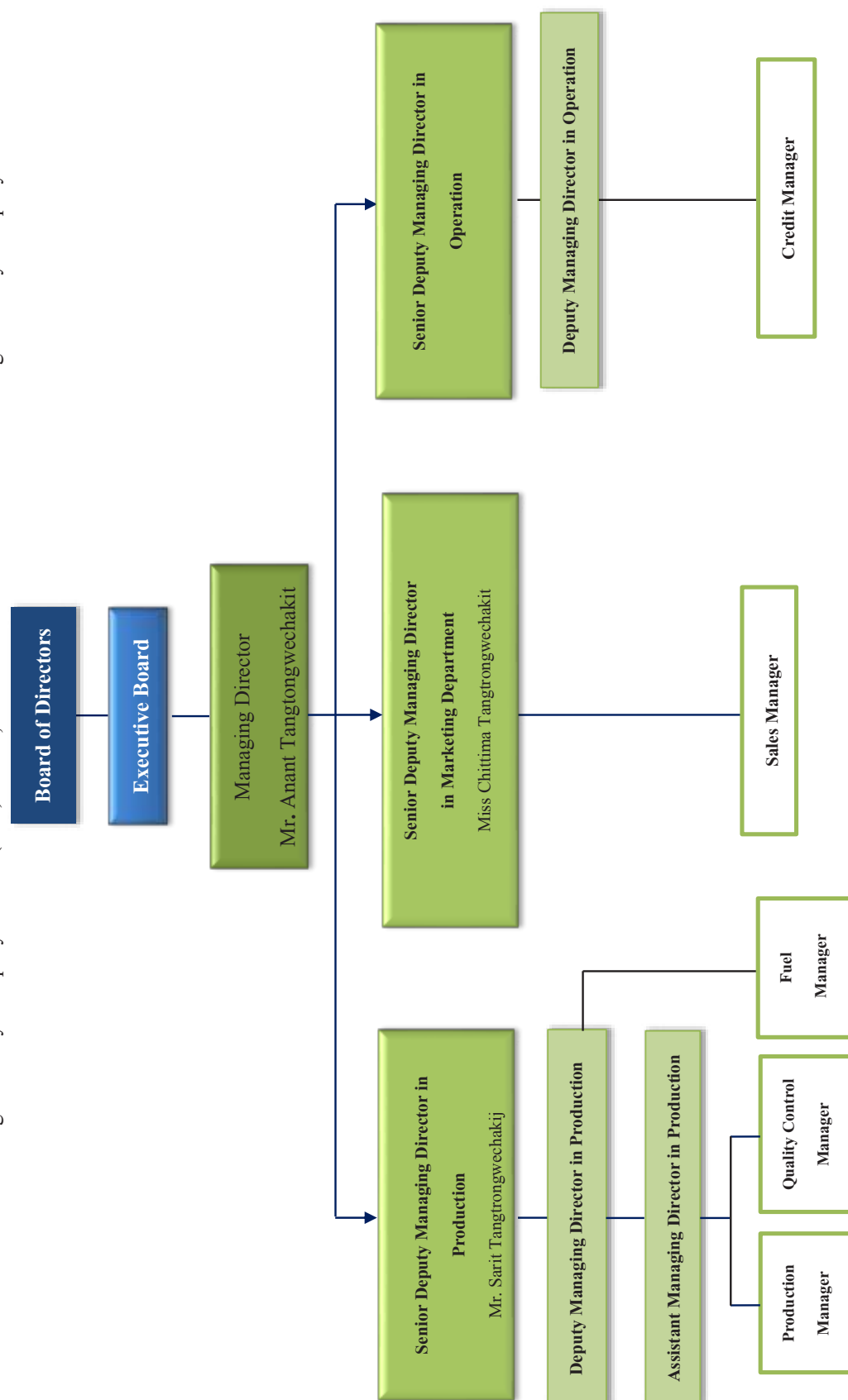
- Graduated with a Bachelor's degree or Master's degree in law, accounting, finance and related fields or,
- Attend the training course about the company secretary in particular from Thai Institute of Directors (IOD) such as Company Secretary Program (CSP), Effective Minute Taking (EMT), Board Reporting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

2. The Responsibility

- Provide basic advice to the Board of Directors and management department about laws, rules and regulations of the company, and supervise the operations of the Board of Directors in a good condition and in an effective manner according to applicable laws and related regulations.
- Responsible for managing the shareholders' and the Board of Directors' meeting according to the laws and regulations of the company.
- Record the shareholders' and the Board of Directors' minutes of meeting as well as supervise the compliance of the resolution of shareholders' and the Board of Directors' meeting.
- Prepare and keep registration, the annual report, invitation letter of shareholders' and the Board of Directors' meeting, the shareholders' and the Board of Directors' minutes of meeting.
- Keeping the reports of the interest that received from the Board of Directors or executives, and deliver the copy of the report to the Chairman of the Board of Directors and Chairman of Audit Committee within 7 days from the date receiving such report.
- Perform any other duties as specified in the notification of the Capital Market Supervisory Board.
- Perform any other duties as assigned by the Board of the Directors.

(3) Details of the Directors and Executives of the Subsidiaries

Names of directors in each subsidiary, only the significant subsidiary that generates more than 10% of the total revenue in the latest fiscal year on profit and loss statements is Buriram Sugar Factory Company Limited (BSF). Hence, the details of the directors of Buriram Sugar Factory Company Limited are as follows;



Board of Directors of Buriram Sugar Factory Company Limited (BSF) (Core Business)

Board of Directors

As of 31 December 2017, Board of Directors consisted of 5 members as follows;

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

Executive Board

As of 31 December 2017, the Executive Committee consisted of 5 members as follows;

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

Executives

As of 31 December 2017, there are 7 executives as follows;

Name	Position
1. Mr. Anant Tangtongwechakit	Managing Director
2. Miss Chittima Tangtrongwechakit	Senior Deputy Managing Director in Marketing
3. Mr. Sarit Tangtrongwechakit	Senior Deputy Managing Director in Production
4. Mr. Vorathep Lertchaiudomchok	Senior Deputy Managing Director in Operation (resigned on April 2017)
5. Mr. Yanyong Kittithatphongphon	Deputy Managing Director in Production
6. Mr. Pitak Chaosoun	Deputy Managing Director in Operation
7. Mr. Nopanant Phoolsap	Assistant Managing Director in Production

(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 subsidiaries' business operation for the best interest of shareholders, which the Board of Directors of subsidiaries must act with responsibility, carefulness, honesty and in accordance with laws, subsidiaries' objectives and articles of association as well as shareholders' and the Board of Directors' resolution.
2. Supervise the subsidiary operation, and monitor management to perform in line with vision, mission, policies, business strategies, goals, operating plans, financial goals, and budget of the parent company.
3. Provide accounting system, financial reporting and auditing including internal control, internal audit, and risk management system in order to prevent any corruption, and define measures to monitor the operating performance of subsidiaries in an effective and sufficient manner.
4. Supervise and provide a mechanism for good corporate 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 appropriate.
6. Define and/or change the Directors authorized signature of subsidiaries.
7. Consider and determine the criteria for the remuneration of Directors and senior executives.
8. Recruit and appoint of person who has knowledge, ability, experience and qualified according to laws and related regulations, and present to shareholders' meeting for approval to be nominated as a director.
9. Consider the amount of the remuneration of the directors according to the criteria of remuneration specified by the Board of Directors. Then, the Board of Directors present such remuneration to the shareholders' meeting for consideration and approval.
10. Evaluate the Managing Director and senior executives' performance and consider the remuneration amount according to the remuneration criteria specified by the Board of Directors.
11. Appoint and/ or authorize directors or other persons to take any actions under the Board of Directors' authority as the Board of Directors deems appropriate, the Board of Directors may cancel, dismiss or change such assigned authorization.

12. Disclose the financial status and the operation results on subsidiaries' related transactions, acquisition and disposition of assets and/or significant matter to the parent company completely, correctly, and in due time as specified by the parent company.
13. Disclose and deliver information about the interested information of their own and related persons to the subsidiaries' Board of Directors in order to reveal the relationship and transactions with subsidiary or parent company to avoid the conflict of interest in due time as specified by the parent company.
14. Report business plan, expansions, large investment projects, joint ventures with other entrepreneurs as approved by the parent company to the parent company by disclosing in monthly report with explanation and/or sending related document for consideration in case required by the parent company.
15. Explain and/ or deliver data or documents associated with the operation to the company as requested by the parent company.
16. Explain and/or deliver data or documents associated with the operation to the company if the parent company finds any significant matter.
17. Have authority, roles and responsibility in any matter according to the laws and regulations, and shareholders' resolution.

Thus, the authority of the Board of Directors or authorized persons who have conflict of interest with company, and/or related companies do not have the right to approve such transactions, except such transactions are in accordance with policies and criteria considered and approved by the parent company's Board of Directors and/or the parent company's meeting of shareholders (as the case maybe) under the laws, objectives and articles of association of subsidiaries.

(5) Supervision of Operations in Subsidiaries

Buriram Sugar Public Company Limited has a mechanism to manage the core company as well as supervise the core company's operations in line with measures and policies as the same practices the company monitors itself in order to protect interests of investment of the company for the core company in the best benefit for the company. The company supervises the business operations of the core company as follows;

1. The company will appoint or nominate the persons as the directors or executives of subsidiaries and/or associates depending on the shareholding proportion of the company in subsidiaries and associates. The nominated directors and executives have the right to vote in the Board of

Directors' meeting of subsidiaries and/or associates in the matter of general management and business operations of subsidiaries and/or associates, which is considered the best interest of the company. Thus, such directors and executives must have qualifications, roles, responsibility as well as have no qualifications or possession of prohibited characteristics as specified by the Securities and Exchange Commission.

2. The Board of Directors' or the shareholders' meeting of the parent company (as the case may be) must approve the following matters prior to Board of Directors' or the shareholders' meeting of the subsidiaries (as the case maybe)

- (1) In case of the Board of Directors or the shareholders' meeting of the parent company (as the case maybe) must approve before the subsidiaries encounter transactions;

- (A) The annual and interim (if any) dividend of subsidiaries

- (B) The amendment of articles of association of subsidiaries

- (C) The annual budget of the subsidiaries

Items (D) to (L) are the significant matters. If the subsidiaries encounter such matters, there is a significant impact on financial status and business operations of subsidiaries. The regulations specified by Notification of the Capital Market Supervisory Board, and notification of acquisition or disposition of assets by the Stock Exchange of Thailand and/ or related transactions (as the case maybe) shall be applied mutatis mutandis. Thus, the subsidiaries' following cases with transaction size calculated in comparison to the companies under the above-mentioned regulations, consequently, these transactions must be approved by the Board of Directors' meeting of the parent company;

- (D) The subsidiaries encounter a related transaction or acquisition or disposition 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) To make, amend, or terminate contracts relating to the renting all or significant part of business of the subsidiaries.

The assignments to other persons to encounter the business management of subsidiaries or merge with other persons:

- (I) Renting or leasing of entire or material part of the business or asset of the subsidiary
 - (J) Borrowing, lending, granting credit, providing guarantee, undertaking any juristic act binding the Subsidiary to expose to greater financial burden, or to grant financial support in any form to other person, which are not in a normal cause of business of the subsidiary.
 - (K) Dissolution of subsidiaries.
 - (L) Any other matters that are not the usual business of the subsidiary, and significant impact to the subsidiary.
- (2) There are matters must be approved by the shareholders' meeting of the parent company before a subsidiary encounter such matters. Thus, the regulations specified by Notification of the Capital Market Supervisory Board, and notifications the Stock Exchange of Thailand shall be applied mutatis mutandis. The subsidiary's following cases with transaction size calculated in comparison to the parent company under the above-mentioned regulations, consequently, these transactions must be approved by the shareholders' meeting of the parent company;
- (A) In case of the subsidiary agreements on related transactions or the acquisition or disposition of assets of the core company.
 - (B) Capital increase by issuing new increased shares and the allocation of shares of the core company, including the reduction of registered capital of the core company, which is not in proportion to the former shareholding of the shareholders, which results in the collective voting rights of the parent company, direct and/or indirect, at the shareholders meeting of the subsidiary, decreasing more than 10% of the total votes of the subsidiary; or results in collective voting rights of the Company, direct and or indirect, at the shareholders meeting of the core company, dropping below 50% of the total votes of the core company;
 - (C) Other transaction which results in the collective voting rights of the parent company, direct and/or indirect, at the shareholders meeting of the core company, decreasing more than 10% of the total votes of the core company; or results in collective voting rights of the parent company, direct and or indirect, at the shareholders meeting of the subsidiary, dropping below 50% of the total votes of the subsidiary, for the entering into any transaction which is not the normal business transaction of the core company.
 - (D) Dissolution of the core company

- (E) Transaction which is not a normal business transaction of the core company, and which could cause significant impact on the core company.
 - (F) Amendment to the Articles of Association of the subsidiary, which may cause significant impact on the financial status or the operation performance of the core company, including but not limited to the amendment to the Articles of Association of the subsidiary that will affect the right of the parent company to nominate or elect any person as the director or executive of the subsidiary, in proportion to the shareholding of the parent company in the core company; the voting of the director elected or nominated by the parent company in the Board of Directors' meeting of the core company; the voting of the parent company in the shareholders' meeting of the core company and/ or the dividend payment of the core company, etc.
3. All directors, executives and management have responsibility as follows:
- (A) Disclose the information about the financial status and the operation results on related transactions of the company they serve, as well as acquisition or disposition of assets and/or significant matter to the parent company completely, correctly, and in due time as specified by the parent company. The Board of Directors of the subsidiary considers the related transactions, acquisition or disposition of assets significantly, thus, the regulations specified by Notification of the Capital Market Supervisory Board, and notifications the Stock Exchange of Thailand shall be applied *mutatis mutandis*.
 - (B) Disclose and deliver information about the interested information of their own and related persons to the Board of Directors of the company they serve in order to reveal the relationship and transactions with the company or parent company to avoid the conflict of interest. The Board of Directors of the subsidiary has to report such information to the Board of Directors of parent company in due time as specified by the parent company for consideration or approval taking into account of the overall benefit of the subsidiary and parent company.

However, the director of the subsidiary who has conflict of interests in any matter does not have the right to approve in such matter both directly and indirectly.

In addition, the matters that may cause directors, executives, management or related persons to the subsidiary receive financial benefit other than the normal practices, or have a negative impact to the

subsidiary or the parent company, which is assumed a conflict of interest of the subsidiary in a significant manner;

- (A) The transactions between the subsidiary and the directors, executives and management or other related persons not complying with the regulations on related transaction.
- (B) Using non-public information of their own company or parent company, except such information is disclosed in public.
- (C) Using the property or the business opportunities of their own company or the parent company in the same manner the parent company encounter, and wrongdoing against the regulations or general practices specified by Notification of the Capital Market Supervisory Board.
- (D) Report business plan, expansions, large investment projects, joint ventures with other entrepreneurs as approved by the parent company to the parent company by disclosing in monthly report with explanation and/or sending related document for consideration in case required by the parent company.
- (E) Explain and/ or deliver data or documents associated with the operation to the parent company as requested.
- (F) Explain and/ or deliver data or documents associated with the operation to the parent company if the parent company finds any significant matter.
- (G) Ensure the effective and appropriate internal control system, risk management system, corruption prevention system. In addition, there should be suitable and effective measures to monitor the core company' s performance to assure its compliance with the parent company' s policies, articles of association in this chapter, laws and good corporate governance principles for listed companies as well as relevant notifications, regulations of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand. There should be a clear management framework to ensure that the core company has a sufficient system to disclose information, significant transactions according to the specified criteria on a consistent and reliable basis, and channels is to be set up for directors and executives of the parent company to acknowledge the core company' s information concerning operating performance, related transactions between the company and director, executive committee, and management of the subsidiary, and encountering other transactions having a significant impact on the

subsidiary effectively. Moreover, it is supposed to have a systematic measure to audit the operating performance of the core company by assigning an internal auditor and independent directors of the parent company to directly access the information, and report the auditing results to the Board of Directors and executives of the parent company to ensure that the subsidiary complies with the systematic framework on a regular basis.

4. The directors, executive committees, management, employees, or other authorized persons of the core company as well as their spouse, and an underage offspring are prohibited to use internal information of the core company and parent company in any actions under the duties or other ways which may cause the significant impact on the company and /or parent company for their own interest or other person's, directly or indirectly, and no matter whether the return is involved or not.
5. The transactions involved with directors, executive committee, management, or other persons related to the core company must be approved by the Board of Directors of their own company and/ or the Board of Directors of the parent company and/or the shareholders' meeting of their own company and/ or the shareholders' meeting of the parent company (as the case maybe) according to the transaction size.

Thus, the regulations specified by Notification of the Capital Market Supervisory Board, and notification of acquisition or disposition of assets by the Stock Exchange of Thailand and/or related transactions (as the case maybe) shall be applied *mutatis mutandis*. However, the transactions are considered as a trade agreement in the same practices which a reasonable man would agree to with any partners in the same situations, without any influence as directors, executive committees, management, or relevant persons of the core company on the bargaining power (as the case maybe). Such trade agreement must be approved by the Board of Directors' meeting of the parent company, or under the criteria approved by the parent company's Board of Directors.

(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 Committee	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 out-of-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 Time			Exceeding 100,000 Baht	20,000 – 100,000 Baht
4. General Terms				
- Sales 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

- Any gift which is not in term of cash
- 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, etc.)
- Any gift which is made for complimentary distribution. (distributed to employees, shareholders, customers and partners)
- 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, etc.)
- Other privileges as deserved for sale promotion
- Any gift in which the price is not exceeding as determined in the following table.

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

● **The Regulation of Authority Assignment According to Limits for 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 Time (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/ Approval
(Blank)	=	Higher Level Authority			

(7) Remuneration of Directors and Executives

7.1 Remuneration of Board of Directors

● **Remuneration in Cash**

The 2017 Annual General Meeting of Shareholders on April 25, 2017 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 total remuneration is 5,930,000 Baht as follows:

Position	2017	
	Remuneration (Baht/Month)	Annual Bonus (Baht)
Chairman of Board of Directors	15,000	400,000
Directors	10,000	150,000
Chairman of Audit Committee	15,000	150,000
Audit Directors	10,000	100,000
Chairman of Risk Management Committee	15,000	150,000
Risk Management Directors	10,000	100,000
Chairman of Executive Committee	15,000	150,000
Executive Directors	10,000	100,000
Chairman of Corporate Governance Committee	No Remuneration	No Remuneration
Corporate Governance Directors	No Remuneration	No Remuneration
Chairman of Nomination and Compensation Committee	No Remuneration	No Remuneration
Nomination and Compensation Directors	No Remuneration	No Remuneration

● **Other Remunerations and Benefits**

In addition to the remuneration in cash such as monthly remuneration and annual bonus, the Company does not pay other types of remuneration such as meeting allowances, welfares and other benefits to directors and sub-committees.

In 2016 and 2017, the remuneration of the directors and sub-committees was summarized as follows:

Name of Directors	Position	Remuneration (Baht)	
		2016	2017
Mr. Prachuab Chaiyasan	Chairman of the Board of Directors (Independent Director)/ Chairman of Audit Committee	910,000	910,000
Mr. Anant Tangtongwechakit	Director/ Chairman of Executive Committee/ Chairman of Risk Management Committee	930,000	930,000
Mrs. Wanphen Punyaniran	Director	270,000	270,000
Mrs. Jirawan Pongpichitkul	Director/ Member of Executive Committee/ Member of Risk Management Committee	710,000	710,000
Miss Chittima Tangtrongwechakit	Director/ Member of Executive Committee/ Member of Risk Management Committee/ Member of Nomination and Compensation Committee/ Member of Corporate Governance Committee	710,000	710,000
Mr. Sarit Tangtrongwechakit	Director/ Member of Executive Committee/ Member of Risk Management Committee	710,000	710,000
Mr. Adisak Tangtrongwechakit	Director/ Member of Executive Committee/ Member of Risk Management Committee/ Member of Nomination and Compensation Committee/ Member of Corporate Governance Committee	710,000	710,000
Mrs. Seenual Tasanapant	Director (Independent Director)/Member of Audit Committee/ Chairman of Corporate Governance Committee/ Chairman of Nomination and Compensation Committee	490,000	490,000
Mr. Sirichai Sombutsiri	Director (Independent Director)/ Member of Audit Committee	490,000	490,000
Total		5,930,000	5,930,000

Remark: In 2016 and 2017, the monthly remuneration and annual bonus were the same amount provided to the Board of Directors and sub-committees: Audit Committee, Risk Management Committee, and Executive Committee without other remuneration and other benefits other than the above mention. For the Corporate Governance Committee and Nomination and Compensation Committee, the company did not pay neither cash remuneration nor other benefits.

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

In 2016 – 2017, the remuneration for **Board of Directors** of BSF was as follows:

Name of Directors	Position	Remuneration (Baht)	
		2016	2017
Mr. Anant Tangtongwechakit	Chairman of the Board of Directors	580,000	580,000
Mrs. Jirawan Pongpichitkul	Director	270,000	270,000
Miss Chittima Tangtrongwechakit	Director	270,000	270,000
Mr. Sarit Tangtrongwechakit	Director	270,000	270,000
Mr. Adisak Tangtrongwechakit	Director	270,000	270,000
Total		1,660,000	1,660,000

In 2016 – 2017, the remuneration for **Executive Directors** of BSF was as follows:

Name of Directors	Position	Remuneration (Baht)	
		2016	2017
Mr. Anant Tangtongwechakit	Chairman of the Executive Board	330,000	330,000
Mrs. Jirawan Pongpichitkul	Executive Director	220,000	220,000
Miss Chittima Tangtrongwechakit	Executive Director	220,000	220,000
Mr. Sarit Tangtrongwechakit	Executive Director	220,000	220,000
Mr. Adisak Tangtrongwechakit	Executive Director	220,000	220,000
Total		1,210,000	1,210,000

Remark: In 2016 and 2017, the monthly remuneration and annual bonus were the same amount provided to the Board of Directors and Executive Board without other remuneration and other benefits other than the above mention.

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 2016 and 2017, the remuneration of the executives of the Company and its subsidiary operating core business: BSF, included salary, bonus, provident fund and other welfares as follows:

	BRR		BSF	
	2016	2017	2016	2017
Number of Executives (Persons)	9	9	7	7
Remuneration (Baht)	26,076,199	31,053,852	15,180,600	18,695,845

Remark: The remuneration of the Company's and BSF's executives as mentioned above included the remuneration of Mr. Vorathep Lertchaiudomchok's, the Deputy Managing Director, who resigned on April 2017, and also included the remuneration of Mr. Anant Tangtongwechakit, the Managing Director. In addition to the said remuneration, Mr. Anant Tangtongwechakit also received the remuneration as the director and member of sub-committees of the company and BSF as shown in no. 7.1 and 7.2.

(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 2017, the Company and its subsidiaries employed 788 full-time workers and 1,058 part-time workers.

Company	2016				2017			
	Full-Time Workers (Person)	Part-Time Workers (Person)	Manpower (Person)	Compensation (Million Baht)	Full-Time Workers (Person)	Part-Time Workers (Person)	Manpower (Person)	Compensation (Million Baht)
BRR	136	81	217	81.46	139	85	224	89.50
BSF	295	876	1,171	166.94	284	901	1,185	186.69
BEC	64	0	64	17.38	66	0	66	20.49
KBF	42	42	84	16.23	51	29	80	17.75
BRD	140	45	185	47.34	144	42	186	51.11
BPC	51	0	51	12.66	53	1	54	14.13
BPP	48	0	48	11.93	51	0	51	12.29
Total	776	1,044	1,820	359.94	788	1,058	1,846	391.96

Remark: The 2 subsidiaries: Buriram Sugar Capital Co., Ltd. (BSC) and Chamni Sugar Factory Co., Ltd. (CSF), have not been operated yet. Then, there are no employees hired and compensation paid.

The compensation of employees as mentioned above is considered in the satisfactory level of the compensation rate compared to labor market. In 2016, and 1017, the compensation of employees includes 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 half-month or 15 days according to the term of salary payment. In 2017, BSG paid the allowance for provident fund totaling 5,085,735 Baht. In addition, the number of employees who are the member of provident fund for long-term saving is currently 616 workers of the entire number of 788 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:

Period of Employment/Membership	Contribution from Employees (%)	Contribution from Company (%)
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 2017, the Company paid for contribution in amount of 5,085,735 Baht which was allocated to the contribution for senior executives (from the position of Assistant Managing Director up above) of the Company and its subsidiaries in 2016 compared to 2017. The details are as follows:

Contribution for Senior Executives	2016		2017	
	Persons	Amount	Persons	Amount
BRR	9	868,253	9	894,944
Subsidiaries	10	846,213	9	817,231

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 health checkup 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 good corporate governance and code of conduct which was approved by the 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.
7. Conduct business with care and consideration of impacts on the natural resources and environment.
8. Encourage the employees to participate in any activities to save the environment such as reduce, reuse and recycle campaign.

■ **Guidelines of Occupational Health, Safety and Environment toward employees**

1. Prior to starting work, employees are informed and trained about the knowledge on safety, and dangerous point of each department for careful awareness.
2. Assess the authentic workplace in order to find a proper safety equipment for employees.

3. Establish the occupational health, safety and environment committee to manage and monitor according to the annual safety plan.
4. Assess the safety measures together with a preventive and corrective plan.
5. Prepare and provide fire safety equipment for the safety of employees, and preventing any damage occurring to the property in the case of fire, as well as arranging trainings and fire drill.
6. Arrange a safety talk activity prior to starting work in each department.
7. Provide sufficiently hygienic drinking water for employees as needed.
8. Provide sufficiently sanitary toilet for employees as needed.
9. Provide annual health checkup for employees in case they are sick or injured

■ **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.

■ **Statistics of Accident/ Accidental Injury and Absenteeism**

In 2017, the statistics of occupational accidents/ accidental injuries decreased from the year 2016 at 75%. For the absenteeism caused by accidents, there was only one case accounted by 0.35% in comparison with the year 2016. Regarding to the decreased number of occupational accidents and injuries, the company and employees have strictly complied with the policy and measures upon the occupational health, safety and environment, and prioritized the safety and security of the employees. Moreover, the company has organized activities providing knowledge and actual practices for employees on such matter on a regular basis. Besides, the safety, occupational health and environment committee has been established since 2013. Such committee has monitored and overseen the workplace to ensure the safety consistently.

Statistics of Accident/ Accidental Injury and Absenteeism

	2016 (%)	2017 (%)
Accident/ Accidental Injury	75.00	25.00
Absenteeism	99.65	0.35

■ **2017 Annual Safety Activities**

BSG has organized the safety activities continuously to convey the academic and practical knowledge to employees as follows:

First Aid Training

This event was organized on July 14, 2017 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 July 5-6, 2017 with 37 employees who participated in this event at Hinlekhai Municipality. The lecturers were invited from KN Safety Company Limited.



Basic Fire Fighting and Evacuation Fire Drill Training

This course was lectured by lecturers from Surin Municipality, organized on October 21, 2017 to 60 employees of Key Brand Fertilizer Company Limited, on June 30, 2017 to 60 employees of Buriram Sugar Factory Company Limited, and on October 24, 2017 to 60 employees of power plant business group at outdoor area and training room of each company.



2017 Annual Safety Activity Week (December 2, 2017)

BSG has 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 2017, rewards for division manager who wore the appropriate safety equipment individually or annual excellent 5S activity reward in 2017, and so on. This event was collaborated with governmental and private sections such as social security office.



2017 Annual Health Check Up



Besides, the Company was awarded by Ministry of Labour as the winner provincial of excellent workplace in occupational health and safety and environment in 2016 and 2017.

8.4 Human Resource Development

Human Resource Development is one of the sustainable and practical business goals of Buriram Sugar Group (“BSG”). The company decided to supervise the Human Resource Development Policy, which is included in the good cooperate governance handbook and the Code of Conduct that will be announced and endorsed in 2017 (According to the resolution of the Board of Directors’ meeting No. 2/2017 on February 23, 2017). The details of the Human Resource development policy are specified in Part 1, item no.1: Policies, Overview and goals of sustainable and practical business in this annual report and Form 56-1. More information can be found at the company’s website.

The guidelines on human resource development of BSG are described 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 expert.

- **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. Thus, the staff must use their knowledge to work for the company under the condition of tuition reimbursement.

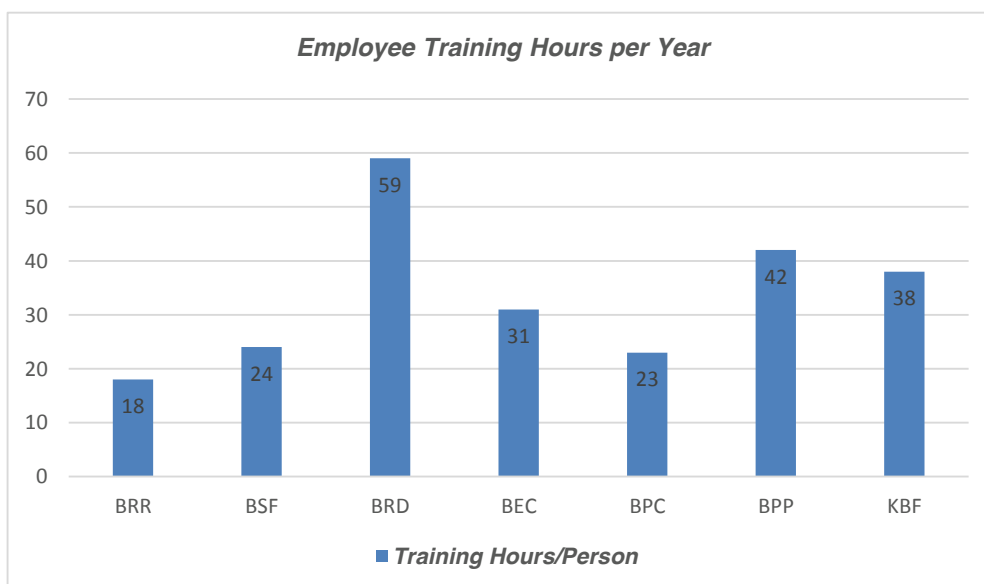
Training in 2017, Buriram Sugar Group (“BSG”) conducted training plans according to the principles of quality management of ISO 9001:2015 as the basic guideline for staff development. The plans will be specified for office, factory and various stakeholders to achieve constant improvement including arrange the training course within the organization. This can be done by improving skills of all level of employees, management, and operations 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. 10% of knowledge and skills are

from training, 20% from mentors' suggestion/teaching, and 70% 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%, soil adjustment and improvement for sugarcanes, the use of hormones to increase the growth, and weed-controlling technology for new sugarcane and sugarcane ratoon, and equipment for high crop yield and so on. BSG has arranged the training for technician and mechanics by cooperating with the Department of Skill Development, Buriram Rajabhat University, Khu Mueang Technical College and business partners 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**, BSG has always provided supports for staffs by providing scholarships in Bachelor's degree and Master's 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/ Year (2017)



**Types of Training Course, Number of Participants and Employee Training Hours of
Buriram Sugar Group in 2017**

Types of Training Course	Number of Participants	Training Hours	Total Training Hours
Environment	218	156	3,738
Occupational Health and Safety	487	144	3,204
Quality Control	145	132	1,716
Good Governance and Ethics/ Laws/ Anti-Corruption	402	174	4,452
Knowledge and Skill Development in Work/ Leadership Skill/ Communication Skill and Others	906	826	13,564
Total	2,158	1,432	26,674

Example of Internal and External Training Courses in 2017

Executive Level

- Leaders for Transformation
- Update COSO Enterprise Risk Management with Strategy and Performance
- Enterprise Risk Management on Accounting and Finance System
- The Professional Tax Planning Strategies
- Innovative Efficiency Improvement and Maintenance in Power Plant
- Core Value Creation, Organizational Culture, and Actual Practices
- Positive Leadership with Coaching Skills

Management Level

- Advanced Leadership for Excellent Organization
- Excellent Management and Planning
- BRR Team Core Values Boost Up
- Risk Analysis and Sustainability Issues
- Leadership for Leader
- Readiness for Sugarcane Crushing for the 2017/18 Crop Year
- Update Water and Air Pollution Law Which Is Currently Effective and the Future

Operation Level

- Code of Conduct and Guidelines
- Successful Communication
- Excellent Teamwork for Organization
- Introduce & Awareness for ISO 9001:2015
- Safety for Using Chemicals in Workplace
- SAP Utilization
- Technological Operations on Agri-Chemical for Sugarcane Plantations

For the activity in 2017, BSG has arranged the project “**Cross Functional Team**” under the training course named “CFT Excellent Planning and Management”, held on August 16-18, 2017. This was the collaboration within the BSG with the purpose of enhancing the effectiveness of management to recognize and understand the mutual goals. This course also included the business level’s operational planning to improve communications, instill the awareness of teamwork based on Cross Functional Team, integrate the management system, and move forward to the same business direction. Hence, problems would be solved, and good actual guidelines would be taken. The subjects of such issues are as follows:

1. How to manage sugarcane crushing for 3 million tons in the 2017/18 crop year
2. Use of energy with the most benefit
3. Sugar yield in the 2017/18 crop year and so on



The Human Resource Development Plan for 2018

The Human Resource Development plan of BSG in 2018 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, fire drills, first aids, steam boiler control, occupational health and safety course, as well as group development plan, CFT (Cross Functional Team) in line with based project and policies. Moreover, the plan also includes the process to make awareness of working, organizational

mindset, risk management, good corporate governance, code of conduct, skills development courses for each department as deem necessary, and in-house trainings and external trainings.

8.5 Human Rights and Labor

Buriram Sugar Group (“BSG”) prioritizes on human rights and labor issue by establishing the policy in 2016 which has been included in the good corporate governance guidelines and the Code of Conduct (According to the resolution of the Board of Directors’ meeting on February 23, 2017). The detail about Human Rights and Labor are as follows:

Policy of Human Rights and Labour

- **Respect for Human Rights**

1. BSG 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, language, age, skin tone, education, social status, physical description, 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 any suspicious activities are found, they have to inform the supervisor.
5. BSG will keep personal information of its employees. If necessary to disclose in public, such employees must be informed to approve first, unless required to do so by articles of association or laws.

- **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, working time, holiday, assignment, training, and performance assessment, 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 such as threats, detainment, or other violence.
5. There is a process of correct and transparent investigation about employees’ wrongdoing before the termination.
6. Only hiring a contractor who operates legally according to the labour law, and relevant regulations, and avoid hiring a contractor violating labour law, related rules, or corruption.



The company in association with Buriram government sectors, and Buriram sugarcane farmers association have the commitment against the child labour in sugarcane plantations.

BRR says no to child labour in a sugarcane plantation

From 2016 until now, Buriram Sugar Group always inhibits child labor issues. On March 18, 2016, Buriram Sugar Public Company Limited 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. This is to prevent and create an awareness of child labor issues to the agriculturist, society, and all sectors, and share effective prevention on such matter. The company has taken actions in the sugarcane planting promotion zones to run the campaign against child labour. The campaign notices against child labour are attached in the extension of sugarcane cultivation, and around factory. Moreover, the company has also run a campaign and encouraged sugarcane farmers nearby the factory to prevent the child labor with support of the Labor Protection and Welfare Office of Buriram.

Presently, BSG is on the progress of operating the campaign against the child labour and asks for collaborations and agreements from sugarcane farmers. Besides, the sugarcane farmers association is the center to oversee and monitor the sugarcane farmers on such issue.

BSG has communicated by means of attaching campaign notices on preventing child labour at sugarcane planting promotion areas where BSG's working group has the responsibility to monitor and coordinate as well as provide information to sugarcane farmers. Moreover, the company also brings this issue for an additional information in the event of other trainings are organized, including runs the campaign through activities with schools located in the sugarcane planting promotion areas. The Community Relations and Organizational Communication Department of the company puts this issue in the annual operational plan as well.

Besides, the company has monitored the performance to ensure the appropriate practices. The Community Relations and Organizational Communication Department has gathered information on child labour in the sugarcane plantations in association with Labor Protection and Welfare Office of Buriram in Baan Soak Doo Community.



BSG's executive went to the sugarcane planting promotion areas to inform and provide knowledge on the prevention against child labour in the sugarcane plantations to ensure well understandings instilled into sugarcane farmers



9. Corporate Governance

(1) Corporate Governance Policy

The Board of Directors recognizes the importance of corporate governance implementation within the company. An aim to run the Buriram Sugar Group's business with transparency, fairness and considering the stakeholders is the top priority in order to ensure the trustworthiness of shareholders, investors, and related parties. In 2017, the Good Corporate Governance Policy, Code of Conduct, Code of Ethics of management and employees as well as other policies have been reviewed and amended. The Board of Directors' Meeting No. 2/2017 held on February 23, 2017 has approved the publication of Good Corporate Governance and Code of Conduct booklets for each department of the company, and on the company's website www.buriramsugar.com where employees, shareholders, stakeholders, and public can access to the information.

This review and amendment of the Good Corporate Governance Policy were created in line with the guidelines of the Stock Exchange of Thailand ("SET") which covers 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 category can be found in the Company's Good Corporate Governance and Code of Conduct Guidance on the company website. The operations on good corporate governance in 2017 are described as follows;

1) Rights of Shareholders

Buriram Sugar Group ("BSG") recognizes and prioritizes about fundamental rights of shareholders such as trading or transferring of securities, receiving the proper information of the company and its subsidiaries, and the right to vote in the shareholders' meeting about a significant change of the company and so on. The Board of Directors has set guidelines for various actions to preserve the rights of shareholders including promoting and facilitating, which is summarized in 2017 as follows;

- The company recognizes the importance of shareholders; therefore, the location and reception must be at their convenience. Thus, the Annual General Meeting of Shareholders in 2017 was held on Tuesday 25 April, 2017 at 10.00 AM at Anoma Room 2-3, 3th floor, Anoma Grand

Hotel, Bangkok which situated in the heart of Bangkok, Rajprasong area, where transportation is convenient for shareholders as there are many options for them to go by BTS, buses, taxi, or even ferries and so on. For those shareholders in the headquarters area, Buriram, two vans were provided to facilitate shareholders with the most convenient way of transportation.

- The annual meeting calendar had been created a year in advance of that of the year after in which the annual general meeting of shareholders was scheduled beforehand so that the Board of Directors were informed ahead, and notified the resolution of the Board of Directors to determine the 2017 Annual General Meeting of Shareholders two months prior to the meeting date. This would let shareholders plan and manage their time for attending at the meeting. Shareholders were notified about the meeting on 23 February 2017 via set portal system of the Stock Exchange of Thailand and the company's website: www.buriramsugar.com. List of shareholders entitled to have a right to attend the 2017 Annual General Meeting of Shareholders, to receive dividends (record date), and book closing date to gather the list of shareholders as well as dividend payout date. Such notification published on set portal system was on the same day of the Board of Director's resolution.
- If any shareholders could not attend the meeting, the company allowed them to authorize the independent directors or anyone as the proxy of attending the meeting by using the proxy form attached with the invitation notice. At the 2017 Annual General Meeting of Shareholders, the company authorized Mr. Sirichai Sombutsiri, independent director and member of the Audit Committee as the proxy, which included details such as name, surname, experience, education, shareholding proportion (holding 0.0499% of the company's shares as at the date of 2017 Annual General Meeting of Shareholders), term of service, and no qualifications against laws and relevant regulations and so on.
- The Chairman shall allocate sufficient meeting time. At the 2017 Annual General Meeting of Shareholders, there were 9 agendum for consideration, and 1 agenda for acknowledgment, which consumed about 2 hours from 10.00 am – 12.00 pm. The meeting, where the directors and relevant management attended, was managed and carried on transparently, and the shareholders were given an opportunity to share opinions and ask related issues thoroughly. If there is any question irrelevant to specified agenda, the chairman will let such questions or give answers to the agenda of others in order to take suitable time to consider each agenda, and it will not consume that time or intrude on other shareholders' right.

- Prior to the commencement of the meeting pursuant to the agenda, the company explained the voting right and vote-counting procedures clearly specified in the company's articles of association, casting votes in each agenda, using ballot papers for casting votes in each agenda and agenda of nominating directors. In order to cast votes on nominating directors individually, ballot papers are separate for each nominated directors. The Barcode System was used to count votes with a convenient, timely, and transparent way, as well as the company's auditor and lawyer acted as inspectors counting votes. All mentioned procedures were recorded in minutes of annual shareholders' meeting with voting results identifying the number of "agreed", "disagreed", "abstained" votes and voided ballot in each agenda required casting votes. In addition, the opportunity of being an inspector of counting votes was given to shareholders or proxies attending the meeting. In 2017, Mr. Wiwat Puangpeth, a shareholder attending the meeting in person, volunteered for eyewitness of vote counting. Moreover, the company's auditors from PricewaterhouseCoopers ABAS Ltd. attended the meeting, and an independent lawyer from LS Horizon Limited was the inspector of vote counting in compliance with the transparency, laws, and relevant regulations.
- The resolutions of the shareholders' meeting were disclosed before 9 A.M. of the next day after the meeting date to shareholders, investors and the public equally via SET Portal of the Stock Exchange of Thailand. However, the resolutions of the 2017 Annual General Meeting of Shareholders was informed to shareholders at the meeting day, and the minutes of meeting was recorded correctly and completely, and published via the company's website within 14 days after the meeting date, so the shareholders can review the minutes of meeting as well as submit them to the Stock Exchange of Thailand, the Securities and Exchange Commission ("SEC"), and the Ministry of Commerce within the period required by laws.
- The information was disclosed to the shareholders completely, correctly and consistently via the company's website, the Stock Exchange of Thailand's channel, and SEC. In 2017, in addition to disclosure of the shareholders' meeting date, dividend payment, and other issues in line with the disclosure criteria specified by the Stock Exchange of Thailand and the principles of good corporate governance, the company also disclosed other information such as the company's annual holidays to make shareholders as an owner of the company acknowledge the company's business operations and working days.

- In addition, all shareholders of the company can use their rights as owners to control the works of the company through the Board of Directors. Shareholders have the right to nominate a person to be elected as a director of the company, and can vote for selecting directors in the annual general meeting of shareholders according to the company's articles of association in item no.14 (1) specifies 1 vote per 1 share, and also have the right to make decisions on significant changes of the company.
- The company encourages shareholders to obtain the other basic rights that should have been, such as, equal treatment of shareholders, giving an opportunity to propose an agenda, and propose qualified person to be considered for the election as a director as well as questions and suggestions in advance for the annual general meeting of shareholders by publishing criteria and procedures to propose an agenda, and the name of the nominated person in advance on the company's website since November 1, 2016 until January 31, 2017 for a period of 3 months in order 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 proposing in the shareholders' meeting. In 2017, no additional agenda item, candidate to be considered as a director, question, nor suggestion was proposed by a shareholder, which was notified to the Board of Directors and the shareholders at the meeting already.
- Shareholders have the right to suggest and question in the shareholders' meeting to have the consensus decision in order to propose to the Board of Directors or executives to answer or clarify the inquiries, for example, the consideration of any form of remuneration for the Board of Directors 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, directors or independent directors who have 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 the 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 (shareholder's) including the desserts provided to greet attendees appropriately.
- Furthermore, Chairman of the Board of Directors and directors prioritize the shareholders' meeting. According to the previous year (2017) at the Annual General Meeting on Tuesday 25 April 2017, Chairman of the Board of Directors and directors totaling 7 persons and members of all sub-committees attended the meeting: Chairman of Audit Committee, Audit Directors, Chairman of Risk Management Committee, Risk Management Directors, Chairman of Executive Committee, Executive Directors, Chairman of Corporate Governance Committee, Corporate Governance Directors, Chairman of Nomination and Compensation Committee, and Nomination and Compensation Directors including managing director, senior executives of the Company, particularly senior executives in accounting and finance as well as the company secretary in order to meet and answer the inquiries of shareholders.
- An independent legal counsel from the outside from LS Horizon Limited will be invited by the company for being a witness in the meeting of shareholders to supervise the shareholders' meeting to run transparently and comply with the laws and the company, observing and checking the registration document, vote-counting procedures in line with the company's articles of association or relevant laws, auditing resolution results, disclosing vote-counting results at the meeting as well as considering any agenda on the right process.

- The consideration of agenda meeting has been proceeded according to the defined agenda in the invitation notice, 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, but attend the meeting only in the time of considering agenda requires votes.
- The shareholders can register for attending the meeting after it has been started. They have the right to vote for agenda which is on considering process and not be resolved yet.
- In order to make shareholders 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 annual registration statement (Form 56-1).

2) Equitable Treatments of Shareholders

Buriram Sugar Group treats all shareholders equally and fairly. Thus, the company reviewed and established a policy for equitable treatment of shareholders, which was approved by the Board of Directors on February 23, 2017, and the operations in 2017 on this chapter are described as follows;

- One or several shareholders holding at least 10,000 shares until the record date of the share register book for attending the meeting which is a period of not less than 12 months can propose additional agenda, nominate the director, as well as submit questions and suggestions prior to the annual general meeting of shareholders. The criteria and procedures for proposing agenda and nominating a qualified person to be a director via the company's website for a period of 3 months. Then, the nomination and compensation committee and/or the corporate governance committee will consider such proposed items first before presenting to the Board of Directors for consideration. Moreover, in case of proposing such agenda in the invitation notice, the agenda must be indicated that it is proposed by a shareholders, and if the proposed agenda rejected by the Board of Directors, the reason should be given at the meeting. In 2017, there was no shareholders proposing agenda, and nominating a person to be elected as a director of the company, as well as submitting questions and suggestions. In addition, the company complied with all above-mentioned criteria and procedures to ensure the equitable treatment of both major and minor shareholders.
- The invitation notice together with all relevant documents in both Thai and English was sent to shareholders in advance in accordance with laws and company's articles of association in order to give the shareholders sufficient time to study the meeting documents. The invitation notice

included the meeting date, time, venue, agenda details with the proposing objectives and Board of Directors' opinions, and relevant document for each agenda such as proxy form A, B and C as prescribed by the Department of Business Development, the Ministry of Commerce, guidelines for granting a proxy, articles of association on shareholders' meeting, criteria and practices for attending the meeting, granting a proxy, voting, attached document for consideration in each agenda, meeting map, and so on. Such advertisement was also placed in daily newspapers for a period of 3 consecutive days from April 17-19, 2017 prior to the meeting date not less than 3 days according to the company's articles of association. The same information in both Thai and English language was published on the company's website: www.buriramsugar.com on March 30, 2017. Thus, the same information was sent to the Thailand Securities Depository Company Limited, the Company's Share Registrar, for forwarding to shareholders in document format (English version for foreigner shareholders) on April 10, 2017 prior to the meeting date.

- At the 2017 Annual General Meeting of Shareholders, the company considered and casing votes without changing significant information or adding agenda without notifying the shareholders in advance unnecessarily in order to notify the shareholders in advance to study the information before making a decision. (more information stated in item no. 1: Rights of Shareholders)
- If any shareholders could not attend the meeting, they can grant a proxy to a person or at least 1 independent director to attend and vote in the meeting on their behalf by indicating the independent director's name in the invitation notice. (more information stated in item no. 1: Rights of Shareholders)
- The company has a guideline to supervise the internal information use, which is informed to all employees the Buriram Sugar Group to comply with. In addition, all directors and executives must report their securities holdings as specified by laws, and submit the report to the Board of Directors for acknowledgment. Such guideline and procedure are indicated in part 3 code of ethics: no. 2 conflict of interest and information confidentiality. In 2017, there was an executive, senior deputy managing director: finance and operation, traded some of the company' securities. Thus, the executive already reported the changes in securities holding of the company (Form 59-2) to the Board of Directors for acknowledgment and submitted such report to the Securities and Exchange Commission.
- The company proceeded and coordinated the document and evidence for attending and voting at the shareholders' meeting needed from the institutional investors or foreign shareholders by appointing a custodian who holds customers' securities for safekeeping in order to ensure the

complete and correct document to be presented to the registration desk, and ensure that registration process is proceeded smoothly and timely.

- The invitation notice and the annual report were prepared in both Thai and English language, as well as an employee who was able to speak English welcomed and translated the information at the meeting to foreign shareholders (if any) to acknowledge, understand and correctly vote.
- There were ballot papers in each agenda especially the agenda of nominating directors which ballot papers were separated for voting individual director. Moreover, there were barcode system used for registration prior to attending the meeting, recording and notifying the vote-counting results, providing independent law advisor from the outside, giving shareholders an opportunity to act as an inspector of counting votes, disclosing the notification of resolution, granting the right to shareholders for voting equally by 1 share per 1 vote (more information and the operations in 2017 on such issue stated in item no. 1: Rights of Shareholders).

The summary of voting in each agenda on the 2017 Annual General Meeting of Shareholders held on Tuesday 25 April, 2017

Agenda No.	Agree		Disagree		Abstention		Voided Ballot	
	Votes	%	Votes	%	Votes	%	Votes	%
1	526,719,915	100.0000	100	0.0000	0	0.0000	0	-
3	528,884,541	100.0000	100	0.0000	0	0.0000	0	-
4	528,884,641	100.0000	100	0.0000	0	0.0000	0	-
5	528,884,641	100.0000	100	0.0000	0	0.0000	0	-
6	528,879,641	99.9990	5,100	0.0010	0	0.0000	0	-
7.1	527,839,774	99.8673	701,467	0.1327	5,000	-	1,000	-
7.2	528,113,274	99.8543	770,467	0.1457	0	-	1,000	-
7.3	500,705,774	99.8601	701,467	0.1399	0	-	1,000	-
8	526,705,540	99.6011	2,109,201	0.3989	0	0.0000	70,000	-
9	525,443,741	99.3625	3,371,000	0.6375	0	0.0000	70,000	-
10	528,810,641	99.9990	100	0.0005	5,000	-	69,000	-

Remark: Agenda item no. 2 was the acknowledgement agenda, so there was no counting vote.

3) Role of Stakeholders

BSG recognizes and prioritizes on the right of all stakeholders both internal stakeholders such as shareholders, employees, and external stakeholders such as customers, business partners, competitors, creditor, nearby communities, and environment as well as government agencies, and other related organizations. Thus, BSG follows the laws, and relevant regulations to provide the right of stakeholders with good care. The Board of Directors has the policies for stakeholders as follows;

Shareholders	Treat all shareholders with honesty and fairness, and also disclose the important information including financial and other relevant 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 laws or company's articles of association, etc.
Employees	Treat all employees with fairness by providing proper compensation and welfare. Define the policies on environment and workplace safety as well as encourage the employees to improve their ability and skills for readiness to work and develop the organization.
Customers	Prioritize in production, distribution, and service with quality standards, safety, and reasonable price on a fair basis. Secure and protect customers' confidential business information, which is not to be disclosed or taken advantage illegally. Provide the communication channel for customers to receive suggestion and complaint.
Business partners	Comply with the trade agreements with fairness, business ethics as well as applicable laws and relevant regulations. Provide a secure workplace environment and a proper payoff to business partners.
Business competitors	Support the free trade with fair competition in line with competition regulations. Avoid using the competitors' confidential information with unlawful or inaccurate methods, and do not damage the competitors' reputation without evidence or fairness.
Creditors	Treat all creditors with under a commitment of contracts, agreements and other conditions strictly, equally and fairly. Assure the creditors about the financial status and financial solvency as well as preparing accurate and timely financial information.

Community, society and environment	Emphasize the responsibility for community and environment, and support activities with communities where the Buriram Sugar Group operates business. Comply with applicable laws and other regulations related to the environment strictly, and define the guidelines to control and protect environment on a regular basis. Instill knowledge and training skills into employees. Conduct business with carefulness and consideration for the impacts on natural resources and environment, and encourage employees to participate in community activities and environmental conservation activities.
Government sectors and other related organizations	Cooperate with the government sectors and other related organizations in academic or other activities beneficial to the community and society, or CSR activities. Define the anti-corruption policy in order to conduct and perform properly and appropriately.

In 2017, as a guideline for all directors, executives and employees to treat the stakeholders properly, transparently and fairly and to comply with for the actual consequences, BSG has created the good corporate governance and code of conduct handbook which is published on the company's website and announce to all employees to acknowledge, comply with and apply to consider the right of stakeholders in many ways of business operations. In addition, the company has prepared the Sustainability Report for 3 years; 2015, 2016 and 2017 from the date of the company listed to the Stock Exchange of Thailand in 2014, which can be found in the Sustainability Report in 2017 on the company's website: Investor Relations.

For Annual Report and Annual Registration Statement in 2017 (Form 56-1), the company disclosed information and details on the stakeholder responsibility as follows;

1. The policies and guidelines on workplace health promotion and safety for employees includes policy of occupational health and safety and environment, guidelines of safety and occupational health toward employees, preventive measures in injured or accident cases, and safety activities in 2017 (more details stated in Part 2, item no. 8: Management Structure, Heading: 8 Human Resources).

2. Human Resource Development

This discloses human resource development policy, guidelines for human resource development in many ways such as training for enhancing skills, cooperating with outside organizations for employee development, providing scholarship, organizational development guidance, training course, Buriram Sugar Group's amount of employees attending trainings

and hours of trainings in 2017, examples of in-house and external training courses in 2017, activities of human resource development in 2017, 2017 human resource development plan (more details stated in Part 2, item no. 8: Management Structure, Heading: 8 Human Resources, and in Part 1, item no. 1: Policy, Overview and Goal of Business Operation, Heading: Sustainable Goal).

3. Human Rights and Labor

This discloses policy and guidelines for human rights and labor, details of activities which the Buriram Sugar Group emphasizes such as the enforcement of anti-child labor in sugarcane plantations on a consistent basis by cooperating with the Buriram government sector and sugarcane farmers association (more details stated in Part 2, item no. 8: Management Structure, Heading: 8 Human Resources).

4. Policy and guidelines on intellectual property (more details stated in Part 2, items no. 9: Corporate Government, policy and guidelines on intellectual property).
5. Employee training about policy and guidelines on anti-corruption (more details stated in Part 2, items no. 9: Corporate Government , Heading: Anti-Corruption Policy).
6. Environment policy and employee training about environment are disclosed in Part 2, item no. 8: Management Structure, Heading: 8 Human Resources, and environmental practices and management stated in the Sustainability Report in 2017 which published on the company's website.
7. The company provides whistleblowing channel with contact details for all stakeholders to give a suggestion or complaint about problems to the Chairman of Corporate Governance Committee (independent director) directly or the internal audit office, which is stated in Part 2, item no. 9: Corporate Governance, and in Part 1, item no. 6: General Information and Other Important Information. Consequently, there was no any whistleblowing issue or suggestion received from shareholders in 2017, which was already reported to the Board of Directors for acknowledgement.
8. The company discloses the procedures of whistle-blowing management in Part 2, item no. 9: Corporate Governance.

Thus, the code of conduct toward stakeholders as follows;

Code of conduct toward stakeholders

3.1 Corporate Social Responsibility

According to Buriram Sugar Group's Corporate Social Responsibility (CSR) Policy, it is committed to creating a sustainable growth along with enhancing quality of life for sugarcane farmers and the nearby community. Thus, more details on this issue are disclosed in Part 2, item no. 10: Corporate Social Responsibility in this Annual Report and Form 56-1 in 2017.

Mission

Buriram Sugar Group prioritizes to create a business growth along with sustainable community and society. The company determines procedures of raw materials management, and promotes academic excellence of growing sugarcane. This will lead to crop yield stability, and good living of sugarcane farmers. Consequently, sugar production and renewable energy distribution are in line with standard, quality, safety and eco-friendly measures specified by laws and relevant regulations. Moreover, the by-products can be managed and maximized the benefit. To achieve the goals, the company has a mission as follows;

1. Instill understanding mechanisms with all stakeholders.
2. Create and enhance good relationships with the stakeholders of the organization
3. Promote and support cultural traditions with the community.
4. Promote and support the education.
5. Develop and promote the environmental management without negative impact to the stakeholders.
6. Information must be published to notify the stakeholders on a regular basis.
7. Monitor and rectify the human rights violations and child labor.

3.2 Policy on the treatment of shareholders

Buriram Sugar Group has the intention to conduct business in line with the principles of good corporate governance, honesty, transparency and fairness in order to give good returns to shareholders or owners in a stable and sustainable manner. Thus, the policy on the treatment of shareholders is specified to inform directors, executives and employees to comply with as follow;

1. Perform a duty and conduct business with honesty, consider any matter with integrity and fairness toward major and minor shareholders to ensure the benefits of shareholders taken into account.

2. Make any decision based on sufficient, accurate information without direct and indirect interest involved, take actions with honesty and avoid conducting business causing the conflict of interest with the Buriram Sugar Group as well as operations proceeded in line with scope of duties for the best interest of shareholders
3. Steer the business operations towards stability and sustainability based on good corporate governance principles.
4. Perform duties with ability and carefulness as an experienced and expert person.
5. Manage and monitor the Buriram Sugar Group's properties without useless and illegal loss or damage, as well as provide the effective internal control system and risk management.
6. Notify and report true news, information and operating results completely, sufficient and timely on a regular basis, as well as report positive and negative tendency of the Sugar Buriram Group based on reasonableness, credibility, and have sufficient details to support such reports to all shareholders in an equal treatment.
7. Do not reveal the confidential information of the Buriram Sugar Group to the other persons especially the business competitors.
8. Provide information and description for the person who performs duties as the auditor.
9. Do not use or disclose the internal information that has a significant effect on the price of the securities and that is not disclosed in public to general investors for the benefit of their own or others.
10. Facilitate and treat all shareholders who come to contact with the Buriram Sugar Group in time and with equality and welcome.
11. Give an equal opportunity to all shareholders to participate in the company's management as well as even give comments or suggestions.
12. Provide various and convenient communication channels for shareholders to acknowledge the information, and to express opinions and suggestions toward business management, agenda proposal of the shareholders' meeting and proposal for nominating a person to be selected as a company director.
13. Provide the whistle-blowing channel for shareholders and persons both in the internal and external organization to report any suspicious actions about corruption, fraud and other complaints. Determine the procedures on receiving and replying a complainant, whistleblower protection measures, and reporting the investigation results and treating a complainant in a systematic and fair manner.

In 2017, the company has respected the basic rights of all shareholders in compliance with laws, the company's articles of association and code of conduct by treating all shareholders with equality. The company has an effective mechanism to ensure all shareholders that they shall receive only accurate information and appropriate and fair returns in accordance with the company's dividend payment policy. In addition, there is the control of related transactions, the measure on prevention of conflict of interests, the prevention on exploitation of inside information which is confidential, and the stipulation that directors, executives, and those who have an access to inside information exploit the information for their advantages by prohibiting them to buy or sell the company's securities within 1 month prior to the disclosure of the financial statements to the public. Besides, the company also reports the business performance at every quarter, and discloses the transactions done with related persons in the same condition as that done with external persons via the news system of the Stock Exchange of Thailand and the company's website for their acknowledgement.

3.3 Policy on the treatment of employees

Buriram Sugar Group's employees are the key factor that will lead the organization to success. The company aims to develop and enhance a good working atmosphere including promote teamwork to encourage all employees without discrimination. All employees are treated with courtesy and respect for human value as well as providing proper compensation and welfare, and equip the up-to-date innovations and technologies for working efficiency as follows;

1. Buriram Sugar Group has a protection measure for employees who report an illegal activity or any violations against the Securities and Exchange Act. Buriram Sugar Group cannot treat such employees with unfairness such as changing their positions, job descriptions and workplace, suspension of work, threat, disturbance, and termination (Section 89/2) in case of the whistleblowing on illegal or unethical actions.
2. Buriram Sugar Group will treat all employees equally without discrimination of race, nationality, gender, age, skin tone, religion and education.
3. Buriram Sugar Group has recognized that employees are the key factor for producing a quality product. Thus, all employees are treated with fairness and equality in employment, compensation, promotion, rotation, and development of their potentials and morality in order to ensure that the employees are competent and good persons for the society, which is determined the guidelines as follow;
 - 3.1 Follow the laws and regulations related to the employees strictly.
 - 3.2 Treat the employees with politeness and respect the individuality and dignity of humanity, according to the global human right principles.

- 3.3 The Board of Directors and executives will support and promote all employees to express their potentials by managing an appropriate compensation and encouraging the working motivation such as salary, bonus and welfare as appropriate based on Buriram Sugar Group's regulations. In addition, the employees are given educations and trainings on a consistent basis.
- 3.4 The employees are treated fairly in relation to the conditions of employment and the appropriate compensation based on their potentials.
- 3.5 The appointment, transfer, reward and punishment must be done with fairness and honesty based on the knowledge, competence and appropriateness as well as any actions or performing duties of an employee.
- 3.6 Conserve the environment and organize a working system for the employees' safety, properties, and good health.
- 3.7 Give priority to employees's skill and potential development by training and educating them thoroughly and consistently.
- 3.8 Buriram Sugar Group provides a provident fund for employees.
- 3.9 Notify the current operations and status of Buriram Sugar Group to employees regularly.
- 3.10 Instill a good conscience to employees to be a giver and a good citizen in society.
- 3.11 Provide a whistle-blowing channel for employees in case of unfair treatment or reporting a suspicious issue on illegal actions. The systematic solutions and whistle-blower protection measures are all settled appropriately and fairly.
- 3.12 Buriram Sugar Group and organizational representatives must support the political right of employees with neutrality.
- 3.13 Encourage the participation of employees to give suggestions and guidance for working procedures and/or any agreement for the benefit of all parties, and build the good relationship and harmony in the workplace as a strong organizational culture.
- 3.14 Encourage employees to participate in internal and external activities beneficial to the organization and society in order to drive the mutual participation and organizational commitment as the supervisors deem appropriate.
- 3.15 Give an opportunity to receive all employees' comments and suggestions equally and fairly.
- 3.16 Provide a whistle-blowing channel for employees to report about illegal or violating issues together with the whistle-blower protection.

In 2017, the company has realized the potential of its employees and regards them as a valuable resource for leading the company with achievement and efficient growth. The human resources management is such an important thing for its business success and sustainable growth. As a consequence, it is necessary to set directions and define predictability to keep on enhancing and developing human resources from policy to action in order to build strengths for its employees as described in Part 2, item no. 8: Management Structure, Heading: 8: Human Resources.

3.4 Policy on the treatment of customers

1. Comply with contracts, agreements and other conditions of the customers strictly. In case of an inability to comply with a particular term, the customers will be forthwith notified in advance in order to enable a joint solution and protection for remedy and loss prevention.
2. Meet the customer satisfaction and needs in the intention to manufacture products and services with excellent quality, standard and safety at a reasonable price in order to match the customer needs as well as enhance the standard to the next level consistently and strictly.
3. Protect health and ensure the safety of the customers or consumers as well as take care of a group of them in a special case by producing qualified and safe products.
4. Promote the sustainable consumption with a production and service beneficial to, or minimizing impact on the environment and society such as using eco-friendly and easily decayed materials, etc.
5. Manage the marketing plan with fairness, and disclose the information about products and services completely, correctly, timely, without distorting the facts to customers. Proceed any actions in line with the agreements fairly such as not be involved in any actions causing deception, misunderstanding, or unfairness as well as hiding significant information.
6. Intend to be honest, upright and fair to the customers including not call for, receive from, or offer any interests to customers with a fraudulent intent.
7. Organize the protection system in advance of the customers or consumers' complaints occurring, including the communication system to listen to the comments, suggestions, complaints from the customers, and respond to customer needs. Such solutions must be done in line with the global standards in order to notify the customers of such information timely and correctly.
8. Customers can return a product if they find any faults in the product quality.
9. Prioritize the confidential information protection and safeguarding of customers or consumers strictly and consistently, and not disclose such information for the interest of their own or other related persons.

10. Seek the ways to increase benefits to customers on a consistent basis such as developing and enhancing the product quality.

In 2017, there was no significant complaint from customers. The other complaints were analyzed to seek the cause in order to rectify, prevent, monitor and adjust to the organization to ensure that such defects might not happen again. The company also assessed the customer satisfactions.

3.5 Policy on the treatment of business partners

1. Treat business partners with equality and fairness based on the fair joint returns. Avoid any actions causing the conflict of interests. Comply with the contracts, agreements or other conditions of the business partners strictly. In case of an inability to comply with a particular term, the business partners will be forthwith notified in advance in order to enable a joint solution and protection for remedy and loss prevention.
2. Conduct business with the partners with fairness by disclosing facts and consider selecting the business partners based on the equality and integrity.
3. Do not call for, receive from, or offer any interests to business partners with a fraudulent intent including being neutral without causing the influence on business decisions.

In 2017, the company has adhered to the conditions of trade, provided the accurate information with good relationship and mutual understanding, including exchanged knowledge, cooperated in the development of products to add more value, no requesting, receiving, or agreeing to receive any gift or benefit considered out of scope of the trading agreement. Consequently, there was no violation of contract between the company and any business partner in 2017.

3.6 Policy on the treatment of creditors

1. Treat creditors with equality and fairness based on the fair mutual returns. Comply with the contracts, agreements or other conditions of the creditors strictly. In case of an inability to comply with a particular term, the creditors will be forthwith notified in advance in order to enable a joint solution and protection for remedy and loss prevention.
2. Conduct business to assure the creditors about the financial status and solvency.
3. Report the financial information completely, accurately and consistently.

In 2017, the company has strictly adhered to the agreement with the creditors. The company has settled the payment to creditors in time according to credit terms stipulated in the contract, and has never received any default notice from the creditors. Moreover, the company has never disputed with business creditors throughout the years.

3.7 Policy on the treatment of business competitors

Buriram Sugar Group conducts business with integrity, fairness, competition under the fair criteria, avoids using the competitors' confidential information with unlawful or inaccurate methods. The information of the business competitors will be searched from the public sources, internet, or inquiry not against the laws. Buriram Sugar Group will not damage the business competitors' reputation without evidence or fairness.

In 2017, the company has strictly run the business under the criteria of trading competition honestly and fairly in accordance with the laws. Throughout the years, there was no any dispute on trading competition.

3.8 Safety, occupational health and environment

Buriram Sugar Group realizes and concerns about the safety on life quality of all employees that can be affected from the operation process as well as focuses on the environmental conservation, as guidelines prescribed as follows;

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 Buriram Sugar Group.
6. Educate and train the employees about this issue and also create the environmental awareness as well.
7. Conduct business with careness and consideration of impacts on the natural resources and environment.
8. Encourage the employees to participate in any activities to save the environment such as reduce, reuse and recycle campaign.

In 2017, the company determined the occupational safety guidelines and arranged safety activities for employees, as well as disclosed the statistics of accident which decreased from the previous year in Part 2, item no. 8: Management Structure, Heading 8.3: Health Support and Safety.

Besides, the company has promoted the effective resource consumption and the energy conservation among employees on a consistent basis to instill awareness on maximizing energy with the most benefit for all departments within the organization, covering all the energy sectors of power, water, paper and other exhaustible items; for example, air-conditioning system and lighting should be turned off during the lunch breaks or unoccupied office space, re-using paper must be promoted etc. Although these activities do not give much quantitative result, but help instill the recycling mindset and behaviors among the employees who would treat the same at their home and society.

Moreover, the company enhances consciousness on responsibilities to community and society among people as a whole on a regular basis, never causes any harm to environment, which is disclosed in the Sustainability Report in 2017.

3.9 Corporate social responsibility

Buriram Sugar Group operates the corporate social responsibility, which has started from the internal organization and expanded to the nearby communities and domestic society. There are 4 strategies to drive these issues as follows;

1. Instill and enhance a sense of public consciousness among employees, and encourage the participation in various volunteer projects.
2. Organize CSR activities or projects with the community.
3. Engage in CSR projects with private or governmental sectors, non-profit organizations, and nearby communities as a leader of social awareness.
4. By-products of producing sugar should be used to support CSR projects for the benefit of Buriram Sugar Group and society.

In 2014 – present, Buriram Sugar Group has the intention to engage in developing the society in a sustainable way in order to ensure the creditability, acceptance and reliability received from the communities and society. Buriram Sugar Group aims to carry on promoting sustainable value creation for communities and society under the fundamental concept “Business Development Adhered to Environmental Conservation & Enhancing Sustainable Communities”. On account of the intention to conduct a sustainable business along with the life enhancement of sugarcane farmers and nearby communities, Buriram Sugar Group has carried out projects and activities in association with the external organizations and governmental sectors as a leader of social awareness, which is beneficial to communities, private sectors, governmental sectors as well as Buriram Sugar Group directly and indirectly. Moreover, Buriram Sugar Group has received good cooperation from such sectors and organizations.

4) Disclosure of Information and Transparency

Buriram Sugar Group prioritizes the information which is must be notified to the Stock Exchange of Thailand, the Securities and Exchange Commission (“SEC”), shareholders and related agencies. Buriram Sugar Group has a policy on disclosure of information and transparency as follows;

- Disclose significant data on financial and non-financial information related to business, operating results on facts, completely, sufficiently and timely. The financial statements must be reviewed and audited by the auditor to ensure that the financial statements are accurate in line with the accounting standard which is generally accepted, and approved by the Audit Committee and the Board of Directors prior to disclosing to the SEC, SET, shareholders, and related agencies.
- Disclose the information via various channels such as the company’s website, SET’s, SEC’s channel in order to inform shareholders and related persons about Buriram Sugar Group’s information thoroughly.
- Disclose the roles and duties of the Boards of Directors and sub-committees including the information on the number of times that each director attended the meetings, remuneration criteria, and types of remuneration of the Board of Directors and executives in the Annual Registration Statement (Form 56-1) and this Annual Report.

Regarding the investor relations, the company has established a specific unit to communicate with, and provide the information to the shareholders, institutional investors, analysts and relevant sectors. In addition, the disclosure of significant information appears in Heading: Code of Conduct, Article: Conflict of Interests and Confidential Information Safeguarding.

- In terms of providing information to investors in 2017, the investor relations of the company communicated with investors, institutional investors, individual investors, shareholders and securities analysts both inside and outside the country about the significant information by providing the information in both Thai and English for presenting to investors to acknowledge. The disclosure of information must be done correctly, completely, clearly and transparently. Thus, the company has notified the investor relations’ contact detail on the company’s website and in Part 1, item no. 6: General Information and Other Important Information. Moreover, the activities that the investor relations organized for the investors are as follows;

Activities in 2017	Number of Time/ Year
- Company Visit	- Thai Investors Association on February 27, 2017
- Shareholders	- The Securities and Exchange Commission, Thailand on March 12-13, 2017
- Analysts	- Analysts: 10 times
Conference Call / Telephone Call	80 - 100 calls
Information Inquiries via E-mail	30 emails
Analyst Briefing	12 times
International Roadshow	2 times
Domestic Roadshow	6 times

For the company visit program, it was held on February 27, 2017. There were 49 representatives from the Protection of Shareholders' Rights Association, Thai Investors Association visited to see the company's businesses: Buriram Sugar Factory Company Limited, Buriram Energy Company Limited, and Buriram Sugarcane Research and Development Company Limited.



Moreover, another company visit was held on March 12-13, 2017. The visitors from the Securities and Exchange Commission and the Stock Exchange of Thailand went to Buriram Sugar Public Company Limited and its subsidiaries to study the production procedures of the sugar factory, biomass-fired power plant, and the management of sugarcane plantations to enhance the understanding on the company's businesses.



- Furthermore, the company also discloses the goal of business operations with both in short-term and long-term, and sustainable objectives in this Annual Report and Form 56-1 to ensure the shareholders, investors, and all stakeholders acknowledge the company's business direction and goal in Part 1: Company's Business, item no 1: Policy, Overview and Goal of Business Operation.
- The details of securities holding of the directors and executives in 2017 are disclosed in Attachment 1: Details of the Board of Directors, Executive Members, Controlling Persons and Company Secretary.

5) Board of Directors' Responsibilities

The Board of Directors has responsibility for the shareholders about business operations of Buriram Sugar Group, monitoring the corporate governance in compliance with laws, objectives, articles of association, and resolution of the shareholders' meeting with honesty, carefulness, and consideration on the benefit of Buriram Sugar Group as the first priority. Thus, the details of the Board of Directors, sub-committees, executives, and company secretary such as names, numbers of directors, and charter's details: composition, qualifications, appointment, tenure, retirement, and scope of duties are stated in Part 2, item no. 8: Management Structure. Regarding this chapter, the responsibilities of the Board of Directors in compliance with the good corporate governance are described as follows;

● The Meeting of the Board of Directors

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 issues, and additional specific meetings as appropriate and necessary. Thus, the annual meeting calendar of the next year is all set in advance at the end of the year for the meetings of the Board of Directors and sub-committees with the submission of documents at least 7 days prior to the meeting date in order to make the Board of Directors, sub-committees, and executives define the schedules, attend the meetings, and give an opinion or approval in any significant matter. Regarding the meeting dates of the Board of Directors, it is scheduled before submitting the financial statements in each quarter such as February 26, May 15, August 9, and November 13 in 2018. Besides, the meeting dates of sub-committees are also scheduled in line with the Board of Directors'. In addition, the meetings of the Executive Committee and the Organizational Management Committee are set in 3rd Wednesday and Friday of every month. The shareholders' and its subsidiaries' meetings are scheduled in advance as well.

- **The Minimum Quorum Policy**

Such policy specifies that the resolution required at the Board of Directors' meeting must consist of the directors who present at the meeting at least 2/3 of the total number of directors. Thus, the Board of Directors has determined such policy stating that "At the Board of Directors' meeting, the minimum quorum requirement for a resolution is subject to the amount of directors at least 2/3 of the entire board".

The Meeting Attendance of Each Director in 2017

Name	Number of Meeting Attendance													
	2017													
	AGM		Board of Directors		Audit Committee		Risk Management		Corporate Governance		Nomination and Compensation		Executive Committee	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Mr. Anant Tangtongwechakit	1/1	100	8/9	89			4/4	100					8/10	80
2. Mrs. Wanphen Punyaniran	0/1	0*	9/9	100										
3. Mrs. Jirawan Pongpichitkul	1/1	100	9/9	100			3/4	75					9/10	90
4. Miss Chittima Tangtrongwechakit	1/1	100	9/9	100			4/4	100	2/2	100	2/2	100	10/10	100
5. Mr. Sarit Tangtrongwechakit	0/1	0**	8/9	89			2/4	50					6/10	60
6. Mr. Adisak Tangtrongwechakit	1/1	100	9/9	100			4/4	100	2/2	100	2/2	100	10/10	100
7. Mr. Prachuab Chaiyasan	1/1	100	8/9	89	5/6	83								
8. Mr. Sirichai Sombutsiri	1/1	100	6/9	67	5/6	83								
9. Mrs. Seenual Tasanapant	1/1	100	9/9	100	6/6	100			2/2	100	2/2	100		

Remarks: *AGM absence due to illness which has to be cured at a hospital.

**AGM absence due to urgent accident causing tardiness of coming back from overseas, so unable to attend the meeting in time.

Thus, the company has provided an opportunity to organize a meeting of non-executive directors in absence of the management. In 2017 there was 1 meeting.

- **The Board of Directors' Report**

In 2017, the Board of Directors prepared the report on the Board of Directors' Responsibility for the Financial Statements to ensure the confidence and reliability of the shareholders and investors, which is disclosed in Attachment 5: Report on the Board of Directors' Responsibility for the Financial Statements, and the sub-committees' report on 2017 operating performance: Audit Committee,

Risk Management Committee, Nomination and Compensation Committee, Corporate Governance Committee are disclosed in Attachment 6-9 respectively.

● **Performance Evaluation of the Board of Directors, sub-committees, and managing director**

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, sub-committees and the individual directors have reference according to the example of the Stock Exchange of Thailand in February, 2015, which was applied according to the company and its subsidiaries' businesses. 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 the management.
6. Self-development of the Board of Directors and Executives.

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/ company 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 way to develop in the future. The score rating is as follows;

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. |

Assessment Scoring Criteria

Average Score (%)	Remarks
0 - 20	Very Poor
21 - 40	Poor
41 - 60	Fair
61 - 80	Good
81 - 100	Excellent

In 2017, the self-assessment results of the Board of Directors are summarized as follows;

- **The self-assessment of the Board of Directors as a whole** was considered at the “**excellent level**”, or equivalent to 90.87%.
- **The self-assessment of the Board of Directors on an individual basis** was considered at the “**excellent level**”, or equivalent to 89.20%

The self-assessment of the sub-committees is applied based on the following criteria;

1. Structure and qualifications of sub-committees.
2. Meeting of sub-committees.
3. Roles, duties and responsibilities of sub-committees

In 2017, the self -assessment of all sub-committees is concluded as follows;

Sub-Committees	Assessment Results (%)
Audit Committee	79.31
Risk Management Committee	82.00
Corporate Governance Committee	86.76
Nomination and Compensation Committee	85.09
Executive Committee	92.38

For the 2017 assessment of the Managing Director, the criteria and results are as follows;

- 1: Leadership 90.63% (Excellent)
- 2: Determination of Strategy and Performance 84.69% (Excellent)
- 3: Planning and Financial Operating Performance 88.02% (Excellent)
- 4: Relationship with the Board of Directors and External Parties 82.67% (Excellent)
- 5: Management and Relationship with Personnel 86.46% (Excellent)
- 6: Succession Plan 84.38% (Excellent)
- 7: Expertise in the Company’s Business, Products and Service 81.25% (Excellent)
- 8: Personal Characteristics 83.75% (Excellent)

Assessment Scoring Criteria:

0 - 20%	= Very Poor	21 – 40%	= Poor
41 – 60%	= Fair	61 – 80%	= Good
81 – 100%	= Excellent		

- **Appointment of sub-committees**

The company discloses such details in the Annual Report and Form 56-1 in 2017 in Part 2, item no. 8: Management Structure, Heading 12: Sub-committees.

- **Succession plan**

The company discloses such details in the Annual Report and Form 56-1 in 2017 in Part 2, item no. 9: Corporate Governance, Heading: Succession plan and the policy on the nomination of directors and executives.

- **The number of listed companies that the directors and managing director hold office**

The company discloses such details in the Annual Report and Form 56-1 in 2017 in Part 2, item no. 8: Management Structure, Heading 11: The number of listed companies that the directors and managing director hold office. Thus, the details of holding office of the Board of Directors and Managing Director in 2018 is still in compliance with the above-mentioned criteria, which can be found in Attachment 1: Details of the Boards of Directors, Executive Members, Controlling Persons and Company Secretary in this Annual Report and Form 56-1 in 2017.

- **The orientation of new directors**

The company discloses such details in the Annual Report and Form 56-1 in 2017 in Part 2, item no. 8: Management Structure, Heading 9: The orientation of new directors. Thus, there was no new director in 2017.

- **Development of the directors and senior 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 Group. More details are disclosed in the Annual Report and Form 56-1 in 2017 in Part 2, item no. 8: Management Structure, Heading 8: Development of the directors and senior executives.

Directors' Training Course Attendance in 2017

Name	Position	Training Course	Date	Venue
Mr. Anant Tangtongwechakit	Director/ Chairman of Executive Board/ Chairman of Risk Management Committee	1. Director Certification Program (DCP) 239/2017 2.Thailand's Big Strategic Move Conference	May 9 – June 8 June 22	Thai Institute Of Directors (IOD) The Stock Exchange of Thailand
Mrs. Wanphen Punyaniran	Director	Director Certification Program (DCP) 242/2017	June 12 – July 11	Thai Institute Of Directors (IOD)
Mrs. Jirawan Pongpichitkul	Director/ Executive Director/ Risk Management Director	Director Certification Program (DCP) 239/2017	May 9 – June 8	Thai Institute Of Directors (IOD)
Miss Chittima Tangtrongwechakit	Director/ Executive Director/ Risk Management Director, Nomination and Compensation Director/ Corporate Governance Director	1.Thailand 4.1 for Listed Companies 2.Director Certification Program (DCP) 243/2017 3.Creation of Sustainable Value & CG Code 2018	March 17 June 12 – July 12 July 31	The Stock Exchange of Thailand Thai Institute Of Directors (IOD) The Stock Exchange of Thailand
Mr. Adisak Tangtrongwechakit	Director/ Executive Director/ Risk Management Director, Nomination and Compensation Director/ Corporate Governance Director	Director Certification Program (DCP) 246/2017	August 1 – September 8	Thai Institute Of Directors (IOD)
Mrs. Seenual Tasanapnat	Independent Director/ Audit Director/ Chairman of Nomination and Compensation Committee/ Chairman of Corporate Governance Committee	1. AC Hot Update for CG 2. Thailand 4.1 for Listed Companies 3. Creation of Sustainable Value & CG Code 2018 4. "Independent Directors: Roles, Responsibilities, and Individual Shareholders' Expectation" 5. Independent Director Forum 2017 > Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance	January 25 March 17 July 31 November 1 November 8	Federation of Accounting Professions The Stock Exchange of Thailand The Stock Exchange of Thailand Federation of Accounting Professions Thai Institute Of Directors (IOD)

**The Company Directors' Attendance at Training Sessions Conducted by
the Thai Institute of Directors (IOD)**

Courses Name	Director Certification Program (DCP)	Director Accreditation Program (DAP)	Audit Committee Program (ACP)	Risk Management Program for Corporate Leaders (RCL)	Anti-Corruption: The Practical Guide (ACPG)
1.Mr. Prachuab Chaiyasan	83/2007	54/2006	-	-	-
2.Mrs. Seenual Tasanapant	79/2007	55/2006	17/2007	-	-
3.Mr. Sirichai Sombutsiri	-	25/2004	-	-	-
4.Mr. Anant Tangtongwechakit	239/2017	99/2012	-	-	-
5.Mrs. Wanphen Punyaniran	242/2017	98/2012	-	-	-
6.Mrs Jirawan Pongpichitkul	239/2017	98/2012	-	-	-
7.Miss Chittima Tangtrongwechakit	243/2017	98/2012	-	-	30/2016
8.Mr.Sarit Tangtrongwechakij	242/2017	98/2012	-	-	-
9.Mr.Adisak Tangtrongweachakit	246/2017	98/2012	-	4/2016	-

2018 Training Plan for the Board of Directors and Sub-Committees

TRAINING LIST 2561					
No.	Course	Institute	Project Matched	Date	Recommendation
1	Board Nomination & Compensation Program (BNCP)	IOD	Nomination & Remuneration Directors	6-7 Mar 2018	Mrs.Seenual / Ms.Chittima / Mr.Adisak
2	Risk Management Program for Corporate Leaders (RCL)	IOD	Risk Management Directors	20-21 Feb 2018	Mr.Anant / Mrs.Jirawan / Ms.Chittima / Mr.Sarit
3	Successful Formulation and Execution of Strategy (SFE)	IOD	Directors, MD	3 Days (Mar)	Mr.Anant/ Mrs.Jirawan / Mr.Adisak
4	Financial Statements for Directors (FSD)	IOD	Directors	15-16 Mar 2018	Mrs. Wanpen/ Mrs.Jirawan / Ms.Chittima / Mr.Sarit / Mr.Adisak
5	Ethical Leadership Program (ELP)	IOD	CAC, Corporate Governance Directors	TBC	Ms.Chittima
6	Corporate Governance for Executives (CGE)	IOD	Corporate Governance Directors, MD	19-20 Apr 2018	Mrs.Seenual / Mr.Anant / Ms.Chittima / Mr.Adisak
7	How to Develop a Risk Management Plan (HRP)	IOD	Risk Management Directors	29-30 Jan 2018	Mr.Adisak

- **The independence of the Board of Directors and definition of independent directors**

The company discloses such details in the Annual Report and Form 56-1 in 2017 in Part 2, item no. 8: Management Structure, Heading 10: The Independence of the Board of Directors and Definition of Independent Directors.

Thus, in the past accounting period, the independent directors of the company had neither business relationship nor professional services. Also, the appointed independent directors never have or had business relationship or professional services exceeded than the rules stipulated in the

notification of the Capital Market Supervisory Board regarding the Application for and Approval of Offer for Sale of Newly Issued Shares, and any amendments thereto.

The Management

Composition and appointment of the Managing Director

The company discloses the details of the composition and appointment of the managing director, and the scope of duties of the managing director in the Annual Report and Form 56-1 in 2017 in Part 2, item no. 8: Management Structure, Heading 2.7: Executives.

Performance Evaluation of Managing Director

For the evaluation of the Managing Director, the Board of Directors considered evaluating in every year. The criteria and procedures of such evaluation are disclosed in the Annual Report and Form 56-1 in 2017 in Part 2, item no. 8: Management Structure, Heading 6: Performance Evaluation of the Board of Directors, sub-committees, and managing director. The assessment results are disclosed in the above-mentioned Heading: “Performance Evaluation of the Board of Directors, Sub-Committees, and Managing Director”.

Succession plan and the policy on the nomination of directors and executives

Buriram Sugar Group realizes the preparation in succession of personnel in the organizations to ensure the readiness for the replacement of a vacant position in order to manage and operate Buriram Sugar Group’s businesses smoothly and consistently. Thus, the Board of Directors has appointed the Nomination and Compensation Committee to determine policy, criteria, format, and procedures to select and nominate directors and senior executives, as well as sub-committees in order to further present to the Board of Directors for approval. In addition, the Nomination and Compensation Committee is assigned to define and review the succession plan of senior executives to ensure the availability of experienced nominated persons that are prepared to replace a vacant position.

■ Succession Plan

Buriram Sugar Group has a plan to recruit personnel who will be responsible for important administrative positions. The nomination of the managing director (CEO) and senior executives is in accordance with the nomination procedures from both inside and outside the organization.

Thus, the procedures in nominating the managing director (CEO) and senior executives are in consideration of qualifications, expertise, skills, knowledge, moral personality, and experience of type of business related to Buriram Sugar Group’s. Such procedures will be systematically organized in all levels

of positions appropriately and transparently in order to ensure that Buriram Sugar Group is empowered by qualified, professional, and moral manpower to drive the achievement and sustainability.

For selecting a person in the organization, this will consider the most appropriate personnel from the succession source or successors who are assessed as potential. Such person will receive skill development to be available to serve an importance position in case of vacancy, end of service term, or others.

■ **Nomination for Directors and Senior Executives**

Regarding nominating directors and senior executives, this will be considered by nominating and selecting a qualified and expert person from various professions including honest and moral personality and transparent working experience by using the Board Skill Matrix as a reference to identify the directors' qualifications as needed. In addition, the important knowledge and competence which the Board of Directors lacks of are also considered an additional qualification to ensure the effectiveness of the Board of Directors' component

Supervision of Operations in Subsidiaries

Buriram Sugar Public Company Limited ("Company") has a mechanism to manage the core company as well as supervise the core company's operations in line with measures and policies as the same practices the company monitors itself in order to protect interests of investment of the company for the core company in the best benefit for the company as a whole. Thus, the company supervises the business operations of the core company as disclosed with more details in Part 2, item no. 8: Management Structure, Heading (5) Supervision of Operations in Subsidiaries.

The Scope of Duties of the Board of Directors in Subsidiaries

According to the Board of Directors' meeting No.6/2014 on August 22, 2014, the resolution was to determine the scope of duties of the Board of Directors in subsidiaries as disclosed with more details in Part 2, item no. 8: Management Structure, Heading (4) The Scope of Duties of Board of Directors in Subsidiaries.

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. More details of such issue are disclosed in Part 1, item no. 1: Policy, Overview and Goal of Business Operation, Heading: Sustainable Goal, Sub-Heading: 1. Human Resources Development.

Throughout the years, the Board of Directors plays a vital role in providing the directions of the company's business, monitoring the operating performance of the management, issuing the policy of good corporate governance, code of conduct, anti-corruption policy, as well as the legal obligations and relevant regulations for the best benefits of the company and shareholders. Additionally, the Board of Directors has supervised the activities to be legally implemented.

In 2017, the company **did not commit** any following violations;

- Severe violation against stipulations of the Securities and Exchange Commission and the Stock Exchange of Thailand
- Corrupt actions or violation of ethics.
- Resignation of a non-executive director due to any issues of governance-related concerns.
- Loss of creditability due to the Board of Director's failure in monitoring the business.

Business Ethics

Business Practices

Buriram Sugar Group ("BSG") has realized the importance of the business ethics. The Board of Directors has the intention to comply with the good corporate governance policy, business ethics, and anti-corruption policy as well as laws and relevant regulations. BSG has a commitment to conduct business with transparency, fairness and the benefits of the stakeholders as the first priority to ensure the sustainability and confidence of shareholders, investors and all stakeholders. Then, BSG has determined the business ethics as a guideline to the Board of Directors, executives and employees, which will lead to the sustainable, ethical and zero-corruption organization. There are 7 guidelines as follows;

1. Consider the stakeholders' benefits and treat the stakeholders with fairness

BSG conduct business in consideration of the benefits, and treat all stakeholders such as customers, business partners, shareholders or owners, employees, creditors, government, and society with fairness. Moreover, the treatment must be served to all shareholders or owners equally, even major or minor shareholders or other nationalities because all of them are very important to BSG.

2. Disclosure of information and transparency which can be audited

In order to maintain the reliability of investors, creditors and related persons, BSG must conduct business with transparency which can be audited, disclose the information correctly, clearly and timely to the relevant persons. Such information must be disclosed on a consistent basis, prepared and recorded appropriately, completely, and standardly which can be compared with other different sources of information.

3. Risks Minimization

Although BSG has a clear objective, action plan as well as control system on the operations, there must be procedures of risk management which should be monitored on a regular basis by analyzing risks on business operations, prioritizing risks, control procedures, and strict guideline in order to minimize such risks to the lowest level.

4. Promote the guidelines of the organization, develop the products, and enhance the standard on the top of sugarcane quality management and other by-products.

The encouragement of the guidelines to the excellent level used by many organizations are adapted and applied to match with BSG's type of business. In addition, it is still to promote such guidelines to employees in every department by encouraging all departments to try to develop their skills consistently as well as setting goals for production development and enhancement of the standard to the top on sugarcane quality management. This always promotes sugarcane plantation and expanding the crop area to ensure the strength and stability of sugarcane farmers, effective and sustainable crop yield. Moreover, BSG always researches and develops to further business, by-products and value creation.

5. Provide sustainable returns for the owners or shareholders

BSG has recognized the value creation of the organization in a long term, not just only focusing on the short term. Moreover, the management procedures are always developed and improved in an effective way in order to provide consistent and sustainable returns to the owners or shareholders.

6. Be responsible for society and nation

BSG believes in developing the business together with the society. As a part of the society and the nation, BSG should return some profit to society through activities, charities as appropriate, and save the environment and support other activities sustainably beneficial to the society and nation in a concrete way.

7. Anti-Corruption

The Board of Directors, executives, and all employees must comply with the good corporate governance policy, business ethics, and anti-corruption policy including laws, rules and other relevant laws. It is to prioritize the working procedures with strength, good awareness, and encourage all persons to participate in anti-corruption practices. Moreover, BSG must conduct business with responsibility for all stakeholders, and give them an opportunity to give a complaint and comment, together with define a whistle-blower protection in order to demolish any corruptions in the organization and to enhance the sustainable organization.

As the guidelines of responsibility for all stakeholders mentioned-above, the Board of Directors has responsibility to supervise the executives, or management to take the same actions to supervise their subordinates.

Anti-Corruption Policy

Buriram Sugar Group has realized the importance of conducting business with honesty and responsibility for society and all stakeholders in line with the code of conduct, business ethics, and relevant regulations strictly. Then, Buriram Sugar Group has determined the anti-corruption policy, and communicated with directors, executives and employees to instill the understanding about the importance of the anti-corruption policy for the mutual and cooperate actions.

The anti-corruption policy is a part of the good corporate governance handbook, and code of conduct of Buriram Sugar Group which are approved by the Board of Directors.

1. Objectives

- To show Buriram Sugar Group's intention to prevent all forms of corruption directly or indirectly.
- To specify the responsibility, guidelines, and other criteria for directors, executives, and all employees to acknowledge and comply with in combating and preventing all corruptive activities strictly.
- To build the reliability of customers, business partners or business alliances, and other related persons.

2. Definition

- Corruption means using power entrusted by duty to obtain benefit for oneself, or any fraudulent actions by using power entrusted by position, authority and influence to obtain benefit for oneself and others, or offering, giving, or promising for benefit, in form of money, things, and other returns, to persuade any persons to act illegally in contrary with good moral, or using money or things, which are authorized to operate in the governmental function, for the benefit of oneself, or other unrelated activities.

(Reference: Transparency International – TI, established since 1993)

3. Scope of work

- All employees covering directors, executives and employees must comply with this policy including other policies related to good corporate governance principles and code of conduct of Buriram Sugar Group.

- Buriram Sugar Group expects all customers, business partners or business alliances to cooperate with this compliance.

4. Role and Responsibility

- The Board of Directors are responsible for specifying the policy, and monitoring the compliance system on anti-corruption in an effective way to ensure that the management has recognized and prioritized the anti-corruption and cultivate it as an organizational culture.
- The Audit Committee has the duty of reviewing financial and accounting reports, internal control system, internal audit system, and risk management to ensure that such operations are concise, appropriate, and efficient in compliance with the generally accepted accounting standards. Moreover, the policy and measures on anti-corruption must be supervised to ensure that Buriram Sugar Group performs its duties in line with laws, good corporate governance principles, and code of conduct.
- The Chairman of the Board of Directors, the Board of Directors, and executives have to determine the system to encourage and support the anti-corruption policy to communicate with employees and other related persons, and review the suitability of the system and other measures in accordance with the change of business, regulations, articles of association, and applicable laws.
- The internal audit office has the responsibility and duty to examine and audit the operations to be correct, in line with the policies, notifications, guidelines, regulations to ensure the control system is appropriate and sufficient to the corruption risks which are likely to occur, and report such results to the Audit Committee and the Board of Directors to acknowledge.
- All employees have to comply with the policy and guidelines of anti-corruption strictly. They have to sign an acknowledgement letter and comply with this policy, and send to Human Resources and Administration Department as evidence to ensure that all employees are notified, understand and ready to follow this policy. In case of any suspicious actions or any violations against this policy, this must be reported to their supervisors, or other whistle-blowing channels of Buriram Sugar Group. Thus, the whistle-blowing unit will keep this information secretly, and carefully send to the related department.

5. Operations

- Any operations according to the anti-corruption policy must comply with Buriram Sugar Group's good corporate governance principles, code of conduct, policies and guidelines of all stakeholders, rules, related handbooks, and further guidelines.

- This anti-corruption policy covers all relevant activities of Buriram Sugar Group by assigning supervisors at all levels to communicate with the employees to comply with the policy in any business activities entrusted by the responsibility, and supervise such operations efficiently.
- It is to assess the corruption risks of the entire organization on a yearly basis.
- In order to ensure the effective practices on this matter, directors, executives, and employees must act with carefulness upon the following issues;
 1. Gifts, gratuity, feast and additional expenses
Granting, offering, or receiving gratuity, feast must be in compliance with good corporate governance principles, and code of conduct of Buriram Sugar Group.
 2. Donation, charity or sponsorship
Granting, receiving donations or sponsorship must be done with transparency and legality, and make sure that such donation or sponsorship is not used for any excuses to accept a bribe. This issue must be in compliance with good corporate governance principles, and code of conduct.
 3. Business relations and procurement
It is prohibited to give or receive a bribe in any business operations with all customers, business partners, governmental sectors, or other organizations dealing business with Buriram Sugar Group, which should be done with transparency, honesty, and legality.
- In 2017, BSG has organized the seminar on the anti-corruption for existing employees and new employees on a regular basis under the seminar topic “Ethics, Corporate Governance and Anti-Corruption”.
- Regarding activities promoting the ethical practices in 2017, there were almshouse activity during the Buddhist Lent and the end of Buddhist Lent, and the ceremonial presentation of new robes and gifts to Buddhist monks, etc.
- During 2017, the company had strictly followed the mentioned practice guidelines, and did not come across any irregularity as the result. Besides, there was no any complaint about receiving or giving gifts leading to the influence on business decision or corruptive and fraud actions.

Whistle-blowing procedures (potential misconduct)

Regarding the Declaration of Intent-Collective Action Coalition Against Corruption (CAC), the company has the commitment to conduct business with honesty, integrity, transparency, and fairness. The corporate social responsivity and stakeholder treatment are in compliance with the good corporate governance and code of conduct in order to operate business as determined and pave the way for employees of BSG to be aware of ethical and good conduct, as well as enhance the consciousness and value against any corruption among the employees. Moreover, the Board of Directors has considered and decided to appoint the investigation committee by assigning to perform investigation procedures, assess the facts, and scrutinize the evidence and other related matters for further appropriate process and management.

Thus, the investigation committee has been established and consists of senior executives, finance and accounting manager, procurement department, law department, risk management office and internal audit office.

The investigation committee must conduct investigation, gather facts, laws, and relevant witness and evidence, and pass such concerns and conclude the evidence given to the accused person for acknowledgment. Then, the committee must be informed the explanation of the accused person, gather such information as an inquiry, and submit the inquiry form and investigation report with opinions to a person who appoints such investigation committee or the Chairman of the Board of Directors. This process must be completed within 60 days from the date of notifying the Chairman.

The investigation committee is responsible for investigating, considering in line with the criteria, methods, and due time in order to identify the facts of the whistle-blowing issues, and monitor the investigation procedures based on fairness as a whole. Such committee gathers the records of the accused persons as necessary for additional consideration, and records in every process of the investigation details. In addition, the investigation process must not allow other person to be involved except for the interrogative approach.

1. The chairman calls for the first meeting of the investigation committee within 7 days from the date that the chairman is notified such concerns. In the event that the meeting cannot be arranged within the due time, the reasons and necessity must be indicated to the person who appoints such committee.
2. At the investigation committees' meeting, such members determine issues and investigation methods, and gather all evidence. Then, the investigation committee conduct the following procedures;
 - 2.1 Gather all facts, laws, and relevant witness and evidence, not only adhere to the excuses or evidence of the accuser or the accused person.

- 2.2 Notify the concerns and conclude all supporting evidence given to the accused person for acknowledgement.
 - 2.3 Provide an opportunity to the accused person to explain and defend himself or herself.
 - 2.4 Scrutinize and provide opinions about the investigation.
 - 2.5 Prepare the investigation report with opinions to the person who appoints the investigation committee.
3. Interrogate the accused person or witness individually. Such process must include investigation directors at least half of the total number of the investigation committee. In case of the half of such committee more than 3 directors, this can be not at least 3 directors for investigating the accused person or witness.
 4. Regarding the interrogation, it is to record the words in the specified form, and read such words to the deponent, or the deponent reads them to ensure the correctness. Then, the deponent, recorder, and investigation directors sign in the form as the evidence. If many pages, the deponent and one of the investigation directors sign together at every single page. Such records must not be rubbed, deleted, or written over the words. If any words need to be corrected or added, it is to strikethrough such words and add new words with the signatures of the deponent and one of the investigation directors. If the deponent does not want to sign, the reasons must be stated.
 5. Interrogation process must not allow other person to be involved, except for the investigation directors for the advantage of the investigation or except for a lawyer or consultant of the accused person as the investigation directors deem appropriate to invite in the interrogation process.
 6. The investigation directors are prohibited to conduct or order any actions indicating promises, threats, cheats, forces, or any wrongdoings to persuade the accused person or witness give any words required by the directors.
 7. The accusation and supporting evidence summary must be recorded in facts and actions of the accused person: wrongdoing, day and time, how, type of misconduct. Then, such supporting evidence is concluded, with or without the witness' name, as well as the investigation committee notifies the rights of the accused person to explain or defend himself or herself in the letter, the rights of showing the evidence or claim for other evidence to be identified and inform the accused person, by preparing 2 letters with the same words adhered by the signatures of the chairman and at least 1 director.

8. The investigation directors send the calling letter to the accused person to meet at the date and time specified by the investigation committee to inform the accused person about the accusation and the supporting evidence. When the accused person meets the investigation committee, such committee indicates such accusation and evidence. Then, the accused person signs the acknowledgement letter with date indicated, and give the letter to the accused person, and another to be filed in the inquiry form.

Code of conduct of the Board of Directors and persons in the organization

Compliance with laws, articles of association, and relevant regulations, and human rights and labor.

Buriram Sugar Group (“BSG”) has emphasized and defined that directors, executives, and all employees must comply with laws, articles of association, and other relevant regulations specified by governmental sectors, and other relevant governing body, as well as work regulations (“Regulations”) strictly. BSG must avoid participating in, or supporting any activities against the laws, or violating the society’s peace, or good morality. Using power entrusted by authority, position, or using BSG’s properties with the illegal purpose is exactly prohibited. Such details are as follows;

1. Comply with the laws, articles of association, regulations and other principles related to business operation of BSG as follows;
 - 1.1. Directors, executives, and employees have to follow the laws, articles of association, regulations, and regulations of the Stock Exchange of Thailand, and the Securities and Exchange Commission.
 - 1.2. Directors, executives, and employees must not disobey the laws, articles of association, regulations, and relevant principles.
 - 1.3. Directors, executives, and employees have to cooperate with the legal, human resources and administration departments, internal audit office, and director office specified by BSG. They must report the information about deliberate refusal to follow the laws, articles of association, regulations, and other related principles, including fraudulent acts, to the mentioned departments or office.
2. Refusal to comply with the laws, resolution of shareholders’ meeting, resolution of the Board of Directors’ meeting, articles of association, regulations, BSG’s orders by excusing that such acts are to increase the benefits for BSG, or other reasons, is not an acceptable reason.
3. Employees must perform their duties with honesty by considering the moral benefit of BSG despite the loophole or gap in the law, or articles of association, regulations, BSG’s order, or other principles.

4. BSG's information must be safeguarded confidentially, not disclosed to the unrelated persons which may cause damage to BSG, or stakeholders, except as otherwise required or permitted by law.
5. Acquisition or disposition of the listed securities held by directors, executives, including their spouse or de facto partner, underage child, and juristic persons must follow the notifications of the Securities and Exchange Commission in relation to the acquisition or disposition of securities of directors and employees in 2004.
6. Employees must understand the laws, articles of association, BSG's regulations, including other relevant criteria of the governing body, as well as understand their role and responsibility deliberately, must comply with strictly. In case of any unsure matter, they should consult with the legal department, or other relevant agencies. This must not be done by themselves without any suggestions.
7. Respect for Human Rights
 - 7.1 BSG 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, language, age, skin tone, education, social status, physical description, 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 BSG will keep personal information of its employees. If necessary to disclose in public, such employees must be informed to approve first, unless required to do so by articles of association or laws.
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, working time, holiday, assignment, training, and performance assessment, 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 such as threats, detainment, or other violence.

8.5 There is a process of correct and transparent investigation about employees' wrongdoing before the termination.

8.6 Only hiring a contractor who operates legally according to the labour law, and relevant regulations, and avoid hiring a contractor violating labour law, related rules, or corruption.

Conflict of interest and confidentiality of information

Conflict of interest

In order to ensure that directors, executives, and employees of Buriram Sugar Group ("BSG") have a guideline to perform duties with honesty, not obtaining benefit for themselves and/or related persons, the policy and guideline has been determined in relation to the conflict of interest as follow;

1. Disclose and deliver the interested information of their own and related persons to the Board of Directors in order to acknowledge the relationship and related transactions with BSG, which may cause the conflict of interest when related transactions are carried out. In order to ensure BSG monitors and audits such matter on a yearly basis. The company secretary is assigned to survey the interested information at every end of the year. Such interested information of all directors, executives and/or related persons including department managers, and relevant employees are surveyed and presented to the Corporate Governance Committee, Audit Committee, and the Board of Directors to acknowledge at least once a year.
2. Avoid doing the related transactions with oneself and/or related persons, which may cause a conflict of interest with BSG, and do not act in any manner against the benefit of BSG, or seek benefit for oneself and/or related persons.
3. The Board of Directors must not be involved with any approval relating to their related transaction or conflict of interest both direct and indirect ways.
4. The following matters that may cause directors, executives, or related persons to obtain financial benefit other than the normal practices, or have a negative impact to BSG, which is assumed a conflict of interest of BSG in a significant manner;
 - (A) The transaction made between BSG, directors, executives or related persons which is not in line with the criteria of the related transactions.
 - (B) Using non-public information of BSG, except such information is disclosed in public.
 - (C) Using the property or the business opportunities of BSG against the regulations or general practices specified by Notification of the Capital Market Supervisory Board.

5. In case of a normal transaction such as a list of trading goods, raw materials, services, or give supporting money for sugarcane plantation, etc., BSG is able to do such transaction with a person which may cause a conflict of interest if such transaction is considered as a trade agreement in the same practices which a reasonable man would agree to with any partners in the same situations, without any influence entrusted by position as directors, executives, or relevant persons. The benefit of BSG must be considered importantly. Such transactions have to be summarized and reported to the audit committee and the Board of Directors so they can acknowledge, and make a comment every quarter.
6. In case of any transactions considered other than a normal transaction, the Audit Committee is assigned to consider and give opinion toward the necessity in doing such transaction, and the appropriateness of a price. This should be considered various conditions that are in line with a normal business in a market, which can be compared with the actual price with a person from the outside, and considered a reasonable price, and on an arms' length basis. Thus, other transactions done by BSG with a person who may have a conflict of interest, the audit committee has to consider it first, and then such transaction will be approved by the Board of Directors' or shareholders' meeting respectively. It depends on the size of a transaction in line with the criteria specified by the Notification of the Capital Market Supervisory Board, and the Stock Exchange of Thailand. The interested directors cannot attend the meeting and vote for the agenda on such transaction. In case the Audit Committee is not expertise for the consideration of such matter, BSG will invite an independent expert to give opinion on such transaction in order to make the Board of Directors or shareholders (as the case maybe) have sufficient information to come to the decision and approval.
7. Monitor and take responsibility for having a proper, effective, and sufficient internal control system, risk management system, corruption and fraud prevention system in order to assure BSG's compliance with policies, articles of association, laws, good corporate governance principles for listed companies, as well as relevant notifications, regulations of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand accurately.
8. The Board of Directors must monitor BSG to comply with the laws relating to the securities and exchange, rules, notifications, orders, or criteria of the Stock Exchange of Thailand, Securities and Exchange Commission, Notification of the Capital Market Supervisory Board. In addition, Group must disclose the related transactions in line with the regulations of the Stock Exchange of Thailand and other relevant governing body.

9. Provide a well-organized operating system for the subsidiaries to have a sufficient system to disclose information of a significant transaction in line with the specified regulations consistently and reliably. In addition, there must be a channel for directors and executives of Buriram Sugar Public Company Limited (“BRR”) to access the subsidiaries’ information in order to monitor the operating results, financial status, related transactions between a subsidiary and a director and executive, significant transactions in an effective way. Moreover, the auditing system must be established to supervise and check such subsidiaries’ operating system by assigning independent directors, Audit Committee, and internal auditor of BRR to be able to access such information directly, and report the audit results to the Board of Directors, Audit Committee, and executives of BRR to acknowledge to ensure that the subsidiaries comply with the systematic operation on a regular basis.
10. A guarantee of a loan contract between BSG and a person who may have a conflict of interest still exists because of the necessity of obtaining credit from financial institutions to purchase raw materials, and support farmers to grow sugarcanes, a working capital to operate business. This is a normal condition of a commercial bank to give a business loan. Thus, BSG has no expense on such guarantee.
11. A loan borrowed from a person who may have a conflict of interest will occur due to the necessity of business operation which BSG makes a loan contract, specifies clearly conditions in the consideration of the benefit of BSG as the first priority. In addition, BSG does not have a policy on giving a loan and/or guarantee except a support money for growing sugarcanes to a person who may have a conflict of interest.
12. In case of the related transactions which may occur a conflict of interest in the future, the Board of Directors must comply with the laws on securities and exchange, regulations, orders, or criteria of the Stock Exchange of Thailand, as well as the criteria on the disclosure of information relating to the related transactions, and acquisition or disposition of assets of BSG.
13. It is to be avoided that shareholding, being a director, executive, or consultant in the same type of business of BSG, or competitive with BSG’s business. Thus, it is able to hold shares, be a director, executive, or consultant of other organization which is considered not against the benefit of BSG, and is considered a direct duty to perform in BSG.

In 2017, the directors and executives had not conducted the related transactions violating the regulations of the Notification of the Capital Market Supervisory Board, Stock Exchange of Thailand, and the Securities and Exchange Commission .

Use of internal information

Buriram Sugar Group (“BSG”) has a policy and measure to monitor directors, executives, and employees to use internal information of BSG for the benefit of oneself and other as follows;

1. It prohibits directors, executives, employees, and workers of BSG to use secrets and/or internal information of BSG to disclose or seek benefit for oneself or others, whether directly and indirectly, and no matter whether a benefit earned or not.
2. It is prohibited to disclose internal information, with an intent or a purpose to distort the actual information of BSG in order to make any persons to misunderstand such as pushing up stock market prices by an intention to increase the stock prices for obtaining a benefit from selling high-priced stocks.
3. Provide knowledge and understanding to directors, executives, as well as persons whose position in the executive level of accounting or financial department which is higher or equivalent to, to be aware of their duties, and to report securities holding of their own, spouse or de facto partner, and underage child to the Securities and Exchange Commission according to Section 59 and the penalty under Section 275 of the Securities and Exchange Act in 1992 (including the amendments).
4. It prohibits directors, executives, persons whose position in the executive level of accounting or financial department which is higher or equivalent to, as well as relevant persons or employees who know the internal information, to engage in the Buriram Sugar Public Company Limited (“BRR”)’s securities trading within 1 month prior to BRR disclosing the operating results, and financial status, or significant information which may impact the stock market prices, until BRR discloses such information in public.
5. Directors, executives, as well as persons whose position in the executive level of accounting or financial department which is higher or equivalent to, are determined to prepare and report securities holding, changes in securities holding, and derivatives of BRR. Such specified persons also cover spouse or de facto partner, underage child, as well as juristic persons holding over 30% of the total amount of voting rights by collectively counting the voting rights of spouse or de facto partner, and underage child. Such reports should be sent to the company secretary within 30 working days after the appointment to serve the company. In addition, they must report the changes in securities holding, and derivatives of BRR to the Securities and Exchange Commission within 3 working days from the date of trading, transferring, or obtaining such securities under the Securities and Exchange Act in 1992 (including the amendments). Thus, the company secretary must be notified at least 1 day prior

to trading, transferring, or obtaining such securities, and receive the copied report of changes in securities holding and derivatives on the same day of sending such report to the Securities and Exchange Commission. Then, the Board of Directors must acknowledge such report on a quarterly basis.

6. Do not disclose the confidential information of BSG to other persons even if they are out of term service as a director, executive, and employee of BSG.
7. The executives, investor relations and company secretary are determined to be a representative of BSG to provide useful information to shareholders, securities analysts, fund managers, and financial institutions. Thus, such information must be approved by the shareholders' meeting, or the Board of Directors' meeting, as the case maybe, and disclosed to the public to acknowledge equally.

Directors, executives, and employees who violate the policy on the use of internal information will be disciplined and/or punished by a law, as the case maybe, on the consideration of intentional act, and the level of seriousness of misconduct.

At the same time, the company has also developed the internal control system regarding inside information, by applying information technology system to classify inside information access level for each position rankings, through the code for accessing such information. In 2017, no shares trading, transferring, or obtaining securities with the internal data use by directors and executives of the company was found.

Responsibilities for information and assets of Buriram Sugar Group and intellectual properties

Buriram Sugar Group's assets mean movable properties, immovable properties, technology, academic knowledge, data, rights, patents, petty patents, copyrights, trademarks, business confidentiality, or confidential business operations, as well as resources which BSG owns or has the right of, including works or masterpieces occurred by performing duty, except BSG clearly authorizes the ownership given to a person who creates, invents, and researches such works or masterpieces, or to other persons as follows;

1. Employees have a duty and responsibility to use BSG's properties to maximize the benefit to BSG, and supervise such properties not to be damaged and lost. In addition, it is prohibited to use any property of BSG to obtain a benefit for oneself, or others, or disseminate any property information without permission.
2. Business information and document are an important property of BSG. Each department must determine the period of time to keep the document, confidentiality of document, as well as

- safeguard such document correctly and auditable. The document must not be hacked, and disclosed to any person except authorized in writing by the directors.
3. Employees must prepare a document of business, accounting and finance, other reports sent to the governmental sectors, relevant agencies, and other persons with carefulness and honesty. Such document is to be recorded according to the accounting procedures of BSG which is in line with the accounting standards.
 4. Supervise and monitor BSG's assets not to be devalued or lost illegally.
 5. Use of computers and information technology
 - 5.1 Computer components, information technology system, and other information system are the properties of BSG. Thus, directors, executives and employees must not use for the benefit of oneself.
 - 5.2 Do not modify, copy, delete or destroy the information of BSG without permission.
 - 5.3 Do not use illegal software, and copy the copyrighted software, licenses without authorization received from the manufacturing company.
 - 5.4 Do not install any equipment aside from the standard equipment that BSG has provided, and do not modify the hardware equipment without permission.
 - 5.5 Do not disclose the business information of BSG, or copy information into a personal recording device without permission.
 - 5.6 Do not use BSG's e-mail to send messages in order to blame or discredit other persons, including using rude, dirty, intimidating, disturbing, or annoying words to other persons.
 - 5.7 Use the internet to search a useful information and knowledge for working, and avoid illegal or immoral websites.
 - 5.8 Use BSG's information technology system and communication equipment with responsibility and carefulness by considering the benefit of BSG as the first priority.
 - 5.9 Do not log in, or access the unauthorized data, or know the data prevention procedures and computer systems which are not authorized for oneself.
 - 5.10 Buriram Sugar Group or authorized unit reserves the right to audit the property use relating to BSG's information technology system as appropriate.
 6. Buriram Sugar Group has a political neutrality policy. Employees must not use BSG's resources to support any political affairs of a political party, political group, or politician.
 7. Employees have a duty to cooperate and assist a political right, or obtain the protection of intellectual property that Buriram Sugar Group owns.

8. Using other persons' information as a reference for Buriram Sugar Group, such persons have the right to check the information in order to minimize a risk on piracy.
9. Employees must report to their supervisor, if they find any act that violates, or pirates the intellectual property, as well as other acts that may cause intellectual property disputes.
10. Employees must respect, and not violate the intellectual property of others. In addition, they must not use BSG's properties such as researches, or other innovations to copy, modify, or other actions for the benefit of oneself or others without BSG's permission.

The company has regulations of computer uses in compliance with the relevant laws, and non-infringement of intellectual property, which all employees must follow strictly. If they violate the regulations, they will receive punishment according to the seriousness of the crime. Thus, , the company was not engaged in any actions infringing upon the patents or intellectual properties in 2017.

Internal control system, internal audit, risk management, accounting and financial reporting

Buriram Sugar Group has an intent to create a sustainable and stable business in accordance with the good corporate governance principles in order to achieve the goal. Thus, the control system and internal audit system are established in an efficient and effective manner, which is in line with the international standards. The risk management is controlled in an appropriate level to ensure the acceptable level of significant risks without any impact on BSG's objectives. Moreover, BSG has a well-installed monitor system, assessment system, and examination system under the supervision of the internal auditors on a regular basis, as well as a review of the audit committee, and prepares the accounting and financial report accurately, completely, timely, and reliably, both of quarterly and yearly financial statements. Such accounting and financial report must be in compliance with the generally acceptable accounting principles, and applicable laws, which is the important factor to enhance and maintain BSG's trustworthiness among the shareholders and investors.

In 2017, the operations regarding to the internal control system, internal audit, risk management, and accounting and financial reporting are disclosed with more details in Part 2, item no. 11: Internal Control and Risk Management in this Annual Report and Form 56-1 in 2017.

Employees's code of conduct

1. Guidelines to treat oneself

- 1.1 Work with honesty, and report the truth.
- 1.2 Comply with the laws, regulations, Buriram Sugar Group's articles of association strictly.
- 1.3 Operate with carefulness, honesty, and do not use a position to seek a benefit illegally.

- 1.4 Perform a duty with responsibility, caution, and dedication of physical and intellectual abilities by considering the benefit of the Buriram Sugar Group as the first priority.
- 1.5 Perform a duty with diligence as well as seek a way to consistently develop and improve works in an efficient manner.
- 1.6 Maintain the dignity to be acceptable in the society.

2. Guidelines to treat customers or related persons

- 2.1 Perform a duty with honesty and fairness toward customers, and do not call for, receive, or giving any benefit fraudulently to customers.
- 2.2 Facilitate and treat visitors with good manner, willingness, and all one's ability.
- 2.3 Open to all comments, suggestions and recommendations from others, and give a correct explanation under a responsibility of one's position.
- 2.4 Respect others' human values, and treat others with equality and honor.
- 2.5 Participate in the society's creation and development for the prosperity without causing any damage to works and the organization's image.
- 2.6 Emphasize to protect and keep the confidential information of customers, business partners and the organization strictly.
- 2.7 Care and conserve the environment of the workplace to be clean, safe, and pleasant.

3. Guidelines to treat each other among employees

- 3.1 Do not persuade, or lead a colleague's decision on a political right.
- 3.2 Be generous with colleagues, and assist their works appropriately.
- 3.3 Use the right to comment with proper and polite manner.
- 3.4 Encourage to work as a team by cooperating and helping each other for the Buriram Sugar Group's benefit of operations as a whole.
- 3.5 Supervisors must behave themselves to be respectful by being as a good example to their subordinates.
- 3.6 Treat their supervisors with respect, treat their colleagues with kindness, and respect others' honor.

4. Guidelines to treat the organization

- 4.1 Perform a duty with full responsibility.
- 4.2 Use the organization's properties and welfares with saving consciousness, and awareness of value according to the Buriram Sugar Group's working regulations.

- 4.3 In case of any fraudulent, illegal, corrupt actions found, or any events that may cause damages to the organization, these must be immediately reported via provided whistle-blowing channels.
- 4.4 Intend to learn to develop oneself for the enhancement.
- 4.5 Keep oneself updated about news to use as a reason in the conversation.
- 4.6 Follow the safety rules and wear protective equipment to individually prevent an accident specified by the Buriram Sugar Group.

5. Granting or receiving presents, gifts or other benefits

Buriram Sugar Group has a policy to prohibit directors, executives, and employees to receive, or give any illegal or corrupt benefits to customers, business partners, or business alliances of Buriram Sugar Group, as well as to be neutral, not a too-close personal relationship to influence decision-making.

- 5.1 Do not request or beg any presents, gifts or other benefits such as a feast, service, financial support, or reward from customers, business partners, or business alliances.
- 5.2 Do not receive any presents, gifts or other benefits from customers, business partners, or business alliances illegally to influentially operate, or ignore to perform a duty, except the general occasions or traditions that many people grant gifts to others normally and legally. The prices or values of presents, gifts, or other benefits must be shown in each occasion, which is stated in the below table. Such receivers must fill the details in “Receiving/Giving Presents, Gifts or Other Benefits Form” (“the form”), and send to their supervisors or authorized approvers. Both the form and presents, gifts or other benefits are sent to the directors office or human resources and administration department to gather the forms, and submit to the internal audit office to further examine. Thus, receiving such things must not be an influence on decision-making which is unfair to perform a duty.
- 5.3 Receiving any presents, gifts or other benefits that is not in line with the criteria stated at no. 5.2, the receivers must return such things immediately. If such things cannot be returned because of maintaining the good relationship between a person or company, the receiver must fill the details in “Receiving/Giving Presents, Gifts or Other Benefits Form” (“the form”), and send to their supervisors or authorized approvers. Both the form and presents, gifts or other benefits are sent to the directors office or human resources and administration department within 3 working days from the receiving date. Thus, such things are considered as the right and a property of Buriram Sugar Group, as well as

presents and gifts given to a representative of BSG, and also have value to commemorate the significant events of BSG such as receiving an honorable award, a souvenir from an activity to help the society and others. After that, the directors office or human resources and administration department submit such forms to the internal audit office to further examine.

The Criteria Concerning to Receiving or Giving of Gratuities and any Benefits

- 1) Non-monetary gifts.
- 2) Any gift which is made for sale promotion which is affixed by a company's seal (i.e. pens, caps, shirts, books, and fabric bags, etc.).
- 3) Any gift which is made for complimentary distribution. (distributed to employees, shareholders, business partners' customers).
- 4) Any gift which is made or bought from other sources in order to distribute to business partners in special occasions (i.e. calendars, books, umbrellas, snacks or gift baskets, etc.).
- 5) Other privileges as deserved for sale promotion from business partners.
- 6) Any gift of 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	✓	✓	✓	-	-	-	-

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

D	=	Director	EXCOM	=	Executive Committee
MD	=	Managing Director	SDMD	=	Senior Deputy Managing Director
AMD	=	Assistant Managing Director	M	=	Division Manager
DM	=	Deputy Manager	OFF	=	Officer
-	=	No Approval/ Authority			

- 5.4 Do not offer any gifts, other benefits, or any forms of inducement to external persons as an influence on illegal operations, and conflicts, except the general occasions or traditions that many people grant gifts to others normally and legally. Such presents, gifts, or other benefits must be approved by a supervisor or an authorized approver under the regulation of authority assignment procedures. Then, such givers must fill the details in

“Receiving/Giving Presents, Gifts or Other Benefits Form” (“the form”), and send to their supervisors or authorized approvers. The form is sent to the directors office or human resources and administration department to gather the forms, and then submit to the internal audit office to further examine.

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

Category	General Operation Authority	Authorized Person							
1	Expense	D	EXCOM	MD	SDMD	AMD	M	DDM/ AM	SM
1.3	Entertainment Expense and Giving Gifts Per Time (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
DDM	=	Deputy Division Manager	AM	=	Assistant Manager
SM	=	Section Manager	A	=	Approved
-	=	No Approval/ Authority	(Blank)	=	Higher Level Authority

6. Political rights

- 6.1 Use one's right as a good citizen under the constitutional law, and relevant applicable laws.
- 6.2 Do not have a position to serve as a director in a political party, or a representative of any public activity which may cause an understanding that Buriram Sugar Group is involved with, or supporting one of political parties, or one of political groups.
- 6.3 Do not use Buriram Sugar Group's names, and any properties to support any political affairs of a political party, political group, or politician.
- 6.4 Do not use a power entrusted by a position to persuade, push, or force a colleague including subordinate to support any political affairs of a political party, political group, or politician.

7. Charity and monetary donation

Buriram Sugar Group has a policy to donate money for a charity, or monetary support as deemed appropriate, transparent, legitimate, and not involved in any affairs causing damage to the society at large.

Directors, executives, and employees must be careful to donate something for a charity because there may be a risk to be used as an excuse for corruption, or bribery. Thus, Buriram Sugar Group has determined a policy and criteria on the charity and monetary donation as follows;

7.1 Charitable contributions

- Any charitable activities must be proved, and operated to support a project's objectives to meet the achievement, and bring a benefit to the society truly, or to be in line with the objectives of CSR operations.
- Any charitable activities must be proved that nothing is involved with two-sided benefits with a person or an agency, except an honorary award which is carried out under a normal business practices such as logo branding, award nomination organized at a venue or by an activity, or in media for public relations, etc.

The Regulations of Authority Assignment According to Limits for Charitable contributions

Category	General Operation Authority	Authorized Person							
1	Expense	D	EXCOM	MD	SDMD	AMD	M	DDM/ AM	SM
1.4	Charitable contributions per activity								
	- Less than 2,000 THB						A	-	-
	- Less than 5,000 THB					A	-	-	-
	- More than 5,000 THB				A	-	-	-	-

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

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

7.2 Monetary support

- Any monetary support activities must be proved, and operated to support a project's objectives to meet the achievement, and bring a benefit to the society truly, or to be in line with the objectives of CSR operations.
- All monetary support must be proved that such money or other benefits can be calculated in the amount of money such as accommodations and food, etc. In addition, this support must be proved that nothing is involved with two-sided benefits with a person or an agency, except an honorary award which is carried out under a normal business practices.

- A giver must record the details in a request form by specifying a receiver's name, and an objective of giving monetary support, which is attached with all relevant document to be sent to an authorized approver of Buriram Sugar Group for approval.

Compliance and review monitoring

Buriram Sugar Group has determined all directors, executives, and employees to have roles and responsibilities to understand, and comply with the policies specified in the good corporate governance, and code of conduct handbook strictly, which is not optional, and cannot be referred for not knowing the specified guidelines. All of them must sign an acknowledgement letter to ensure that they read the good corporate governance, and code of conduct handbook of Buriram Sugar Group, and accept to comply with the specified regulations.

Executives in all levels have to supervise and monitor, taking it as a serious matter, their subordinates at each department to acknowledge, understand, and follow the good corporate governance, and code of conduct handbook strictly. If a director, executive, or employee violates such handbook, or agrees with their subordinates to break any regulations specified in the handbook, they will be disciplined, notified the termination of employment, pay a compensation for damages, and be punished by applicable laws.

The Board of Directors, and the Corporate Governance Committee have determined and reviewed the good corporate governance, and code of conduct handbook on a yearly basis.

Whistle-blowing and suggestions

The Board of Directors has given an opportunity for employees and stakeholders to give a complaint, express an opinion, report any act of wrongdoing or behavior which may be considered violation against, or non-compliance with the good corporate governance, and code of conduct handbook. Thus, the internal audit office is assigned to perform duties as the whistle-blowing unit of Buriram Sugar Group's corporate governance, and code of conduct as follows;

1. Whistle-blowing and suggestion channels

- 1.1 By post: The Chairman of the Corporate Governance Committee,
Buriram Sugar Public Company Limited
128/77-78, 7th floor, Phayathai Plaza Building, Phayathai Road,
Thung Phayathai Sub-district, Ratchathewi District, Bangkok 10400
- Or The Internal Audit Office, Buriram Sugar Public Company Limited,
128/77-78, 7th floor, Phayathai Plaza Building, Phayathai Road,
Thung Phayathai Sub-district, Ratchathewi District, Bangkok 10400

1.2 Suggestion box

2. Whistle-blowing procedures

- 2.1 The recipient will gather the facts about violation against, or non-compliance with the good corporate governance, and code of conduct handbook.
- 2.2 The recipient will report the facts to the investigation committee, appointed by the Board of Directors, which is assigned to investigate, assess, and scrutinize such facts in order to consider an appropriate process and measure for each issue.
- 2.3 The recipient will present the examination of facts to the investigation committee, and define a measure to cease such violation against or non-compliance with the good corporate governance, and code of conduct handbook by considering damages at large.
- 2.4 The recipient has to report the investigating result to the whistle-blower in case of identifying himself or herself. Regarding significant issues, such investigating result must be reported to the audit committee, and the Board of Directors.

3. Protective measures for whistleblowers or collaborators of investigation

Buriram Sugar Group has defined the protective measures for whistleblowers or collaborators of investigation as follows;

- 3.1 The whistleblowers or collaborators have the right to be anonymous as they deem unsafe to identify himself or herself. In case of their identification, Buriram Sugar Group is able to report such progress and explain the facts.
- 3.2 Buriram Sugar Group will not reveal the personal information, or other information indicating the whistleblowers or collaborators, and will investigate the facts.
- 3.3 The recipient must keep the related information confidentially, and disclose only as much as necessary by considering the safety, trouble and damage of the whistleblowers or collaborators, information sources, or related persons.
- 3.4 If the whistleblowers or collaborators consider that they may be unsafe, or affected by any trouble or damage, they can request Buriram Sugar Group to provide such protective measures as appropriate, or may define such protective measures as it seems potential to occur unsafety, or any trouble and damage.
- 3.5 If the whistleblowers or collaborators are affected by any trouble or damage, they will receive mitigation of damages with appropriateness and fairness.

In 2017, the company had never faced any sanctions by the regulators for failure to make an announcement within the requisite time period for material events, and violations of any laws pertaining to

labor, employment, consumers, business competition, and environment issues. There also had never been complaints issued by shareholders and stakeholders.

Discipline

Buriram Sugar Group considers the good corporate governance, and code of conduct handbook as a discipline which directors, executives, and employees must conform to with understanding, acceptance, carefulness, and avoidance of any misconduct. Thus, directors and executives behave themselves as a good model, and comply with the good corporate governance, and code of conduct handbook strictly. If any violations or non-compliances of such handbook, articles of association, and other regulations of Buriram Sugar Group are found, they will be punished under “the work regulations”.

Guidance on Good Corporate Governance and Code of Conduct Handbook (“Handbook”)

1. Understand the content of this handbook.
2. Study the content related to one’s duties and responsibilities.
3. Review the content of this handbook on a regular basis.
4. Provide knowledge and understanding to others who perform a duty related to Buriram Sugar Group’s business operations, or which may cause an impact on Buriram Sugar Group.
5. If any doubt or inquiry about the compliance with the handbook, consult with a supervisor and/or Human Resources and Administration Department and/or other persons assigned by Buriram Sugar Group to have a responsibility of this compliance.
6. Report to a supervisor or a person in charge in case of any violations or non-compliance of the handbook occurred.
7. Cooperate in the investigation with an agency or a person assigned by Buriram Sugar Group.
8. Supervisors in all levels must behave themselves as a good model for their subordinates about such compliance of this handbook. In addition, they should enhance the work environment to make employees and related persons acknowledge that the compliance of this handbook is a must. There must have no any excuse for not knowing the specified guidelines of this handbook.

All employees must follow the good corporate governance and code of conduct handbook, and encourage other persons to do the same. Thus, the following actions are considered violations against the regulations specified in the good corporate governance and code of conduct handbook (“Handbook”);

1. Do not follow the handbook’s guidelines.
2. Encourage or support other persons not to follow the handbook’s guidelines.

3. Ignore in case of an occurrence of any violation or non-compliance of such handbook which one knows or have to know due to his or her related duties and responsibilities.
 4. Do not cooperate with, or obstruct the investigation of such violations or non-compliance.
 5. Unfairly treat other persons who report the violation or non-compliance of such handbook.
- Thus, one who breaks a regulation of such handbook will be punished under the rules specified by Buriram Sugar Group. Moreover, he or she may get a penalty according to the applicable laws.

Persons who have duties and responsibilities to monitor and encourage the compliance with the good corporate governance and code of conduct handbook (“handbook”);

1. Directors have responsibilities to specify, review, and amend the handbook as appropriate on a yearly basis, as well as assess such compliance.
2. Executives at all levels have the following responsibilities;
 - 2.1 Promote the compliance with the handbook, and act as a good model.
 - 2.2 Pass on policies and procedures to employees, as well as open to all opinions on the compliance with the handbook.
 - 2.3 Provide trainings and seminars for employees to understand the handbook’s guidelines, and a management system in line with laws, Buriram Sugar Group’s rules, and good corporate governance and code of conduct handbook.
 - 2.4 Supervise the operations in line with the related regulations.
3. Human Resources and Administration Department or other department responsible for human resources is responsible for informing employees about a duty in compliance with the handbook.
4. The Internal Audit Office is responsible for reviewing the fundamental information in case of an occurrence of any violations against the rules and handbook’s regulations. Then, such report will be sent to the Audit Committee.
5. All employees have to follow the handbook’s regulations, and encourage other persons to comply with the same as they do. In addition, they can give opinions and obstacles on such compliance to the executives or Internal Audit Office in order to further present at the Board of Directors’ meeting.

Remuneration for Auditors

Since 2011 – present, Buriram Sugar Group has hired PricewaterhouseCooper ABAS Ltd. for auditing and consulting continuously. In 2017, Buriram Sugar Group paid for the audit fee and non-audit fee to PricewaterhouseCooper ABAS Ltd. 6,027,428 Baht. Such remuneration did not include the new accounting system (SAP). In this amount was separated into the examination fee for auditing of the company 1,190,000 Baht, the examination fee for auditing of 8 subsidiaries 3,408,000 Baht. In addition, other service charges such as reviewing the financial statements of the first quarter in 2017 of Buriram Energy Company Limited and Buriram Power Company Limited, and reviewing the transaction on the Buriram Sugar Group Power Plant Infrastructure Fund (BRRGIF) accounted for 477,760 Baht. The actual out-of-pocket expenses included transportation and hotel fee for auditing the accounting and financial operations at the head office in Buriram province, and copied documents were accounted for 951,668 Baht. In addition to the mentioned fees, there was no any service fee paid for the auditors, audit firm where the auditors were attached to, and related parties of the auditors.

Compliance with other aspects of good corporate governance practices

The company has realized and focused on compliance with the good corporate governance principles which are trusted to drive its business with sustainability. Thus, the company has applied and followed the Good Corporate Governance Principles for Listed Companies in 2012 of the Stock Exchange of Thailand and has started to apply the Corporate Governance Code for Listed Companies 2017 by the Securities and Exchange Commission for further compliance. In 2017, the company performed in accordance with such principles, except for the following issues;

- **The cumulative voting for the election of company directors**

According to the articles of association no. 14, each shareholder shall elect a company director, which is made by majority votes as a resolution. In addition, no. 14(1) specifies that each shareholder shall have a number of votes equal to one share for one vote. Thus, the cumulative voting is not be applied at the shareholders' meeting of the company. However, the company has determined measures to treat the right and participation of minority shareholders such as proposing agenda items in advance of the shareholders' meeting, and nominating a person as a candidate for a company director, etc.

- **The Nomination and Compensation Committee should be composed of a majority of independent directors (more than 50%)**

The Chairman of the Nomination and Compensation Committee is an independent director and also audit director whose qualifications are sufficient and proper to make a consideration, express opinions independently, check and balance among the nomination and compensation directors. Besides, all of them are qualified with knowledge and work experience to serve the position. They have performed duties with responsibilities and honesty, and never voted any agenda in which they have a conflict of interests.

- **The Board of Directors should be consisted of more than 66% of non-executive directors, and the company should appoint a high percentage of independent directors (more than 50 %) on the Board of Directors**

The company's Board of Directors consists of 6 executive directors or 66.66%, and 3 non-executive directors who are also independent directors or 33.33% of the entire board. This is in compliance with the composition of the Board of Directors and independent directors regarding the regulations specified by the Securities and Exchange Commission which states that the Board of Directors must consist of at least 1/3 of the entire board, but must not less than 3 independent directors.

10. Corporate Social Responsibility

Policy on Corporate Social Responsibility (CSR)

Buriram Sugar Group (“BSG”) has the commitment to being a part of the sustainable social development in order to build the reliability, acceptance and trustworthiness together with the cumulative supports and value additions to the community, society and company based on the following concept and guidance: “Business Development Adhered to Environmental Conservation & Enhancing Sustainable Communities”. The company has a strong intention 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 government sector and private agencies.

Since the beginning of the Company’s establishment in 1964, BSG has determined the policies concerning to the corporate social responsibility under the following concepts:

The aspiration of “GCECS: Governance, Commitment, Environment, Community and Sustainability”

G - Governance	“Transparency in business conduction”.
C - Commitment	“Commitment and responsibility”
E - Environment	“Environmental conservation”
C - Community	“Path to the goal with the community”
S - Sustainable	“Sustainable ways of living together”

In recent years, besides the organization’s integration of knowledges and potentials to support a number of projects to achieve the goals, BSG’s collaboration with related individuals and operations has been made in order to concretely and successfully support the society in many dimensions as follows:

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 cumulative project for local products of Soak Doo Community by organizing a community visit on production of handmade sedge mats of Baan Paeng Group in order to further and develop the better local products. In addition to the consistent sustainable development of the communities, BSG has also extended the outcome to educational institutions by promoting learner development activity namely “BRR cuts in classroom hours and rises 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 namely “moral young businessmen to the creative economy” in purpose of allowing the communities and the educational institutions to self-sufficiency.

In addition to enhancing a concept creation for the consistent sustainable development and constructing homes for poor students in the promotion area of sugarcane plantation, BSG has coordinated with schools located in the promotion area of sugarcane plantation to conduct the integrated organic farming project to prepare lunch for the students in the promotion area of sugarcane plantation, as well as supporting sugarcane farmers in the nearby area of the factory to generate higher crop yield and quality production per area of rai based on the academic procedures and sugarcane farmers’ responsibility. In this regard, the management system has been improved to ensure the crop yield stability and sugarcane farmers’ earnings. Moreover, BSG has developed innovation to enhance the competence of the organization and sugarcane farmers together with promoting the education enhancement among its personnel and sugarcane farmers for paving the sustainable growth together.



Human Resource Development in the Organization

BSG respects human rights and legal practices; 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 have 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 the Corporate Governance Committee or the Internal Audit Office. Afterwards, the investigation committee will be appointed to further investigate the facts and solve the problems as complained.

BSG believes that “all employees” are extremely valuable resources for business operations, therefore BSG has determined to develop the employees’ skills, competency 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 other than salary and wages is the important matter that BSG never ignores. Consequently, BSG has realized the importance of the code of business ethics, including the benefits generated to the stakeholders, business operations in accordance with the code of ethics and morality, and the accountability and transparency pursuant to the good corporate governance and code of conducts as regarded the BSG’s honor.

BSG also emphasizes the knowledge management and aims to create the learning organization which provides the learning improvement for a 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 2017, BSG had organized various activities in order to exchange knowledge and create new innovation within the organization. Additionally, employees’ training and improvement in a variety of work functions were 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. Such project is the long-term human resource development to support the experienced and skillful employees to be the internal experts to pass on their knowledge to other generations of employees such as environment, security, information technology, accounting and corporate social responsibility to ensure such precious and useful knowledge still remains within the organization.



Social Opportunities Sharing

Opportunities sharing for people particularly in the supportive community area of sugarcane plantation are considered as BSG's mission, especially the provided educational opportunities through the knowledge return for youth project, resistance on children employment in the sugarcane farms, and educational budget and scholarship support for schools in BSG's operation areas. Moreover, the health care services have been provided to the communities. In the previous year, the access provision to health care services organized by BSG in collaboration with Hin Lek Fai Health Care Support Hospital to provide the 4th Mobile Health Unit Service, and the oral cavity health care support service for the elderly offered by BSG in 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 farm 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 “Sugarcane Agriculturist Businessmen” 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 the Northeast Region.

BSG has applied the management principle concept of “Sugarcane Agriculturist Businessmen” to generate the sustainability in the organization; therefore, the organization needs to integrate the knowledge, pass on the above concept from generation to generation, and determine a clear sustainable creation itself. In addition, BSG has emphasized the community as a home where the assistance and generosity are required among each member of our home. Hence, BSG has been continuously organizing the community relation activities as follows:

Educational Support

The public and community relations department collaborated with BSG’s volunteer staffs to organize the project named “The 3rd Knowledge Return for Youth” to the schools located in the areas of 5-kilometer around the workplace such as 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’s employees and students, and scholarship provided to primary and secondary students in some special occasions such as National Children’s Day and other occasions. The alms canteen activity was also provided in that day.

In addition, the educational support activity named “BRR Cuts in Classroom Hours and Rises in Being Knowledgeable Time on the Way to Sustainability” for Ban Nongkwang School led the company to be nominated, and receive the certificate of benefits administration to the Ministry of Education on the commemoration the establishment of the Ministry of Education “125 Years of the Ministry of Education”. From the year 2017-2018, Baan Nongkwang School has been a representative of the Northeast Region to participate in the 66th and 67th (in January 2018) Students’ Handicrafts Event in which such participation and receipt of the winner award have been implemented for 4 consecutive years. Moreover, “BRR Skill Up O-NET 2017” has been organized for 2 consecutive years from the year 2016 in order to enhance the potential of the nearby-organization students’ education for the O-NET preparation. In addition, BSG initiated the promotion area of its sugarcane plantation such as creating integrated organic farming to prepare lunch for the students in the promotion area of sugarcane plantation, constructing homes for poor students in the promotion area of sugarcane plantation in the belief that “qualified social foundation based on the education”.



Health Care Support

In the previous year, BSG led by Buriram Sugar Public Company Limited, organized the annual health check-up for all employees of BSG with their good collaboration of taking a health check-up service. Additionally, the 1st - 4th mobile health unit activities upon health check-up service were provided for people who live in 5-kilometer-distance workplace area. Furthermore, the public and community relations department also conducted various projects and surveyed the living conditions of people around the nearby workplace in order to create the strong relationship with the communities.



Career promotion for the enhancement of communities' quality of life

BSG has recognized the responsibility toward the nearby communities since the start of its business operations by supporting and promoting the communities nearby the workplace to have additional jobs other than the agriculturist career. Thus, BSG has promoted the occupation of making

handmade reed mats by supporting from the first step: reed plantation, designation, distribution of Baan Khok Doo's local products, and promoted the occupation of making a handmade red-striped bottom sarong of Kooborn Community, as well as other occupations in the promotion area of sugarcane plantation, etc.

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 such as water-pouring ceremony with a blessing from the respected elder during the annual Songkran Festival, Buddhist Lent activity in which BSG has annually been involved with the arrangement of candle procession, the almshouse activity during the Buddhist Lent, Loy Kratong Festival activity with the gratuity support for Kratong Parade Contest and Beauty Contest in Hin Lek Fai Municipal District, the almshouse activity during the end of Buddhist Lent, the ceremony of presenting yellow robes to the Buddhist Monks in purpose of sermon hall construction in a monastery, the annual activities of Songkran Festival and the Elderly Day at Silareang Temple, Ban Hin Lek Fai. All of these activities showed the great collaboration outcomes from both BSG's employees and the communities.

The Corporate Social Responsibility of BSG is considered as a key to lead the way to the sustainable growth for the organization, together with the ongoing development of society, economy and national culture.



BSG discloses more details of overall activities and actual practices upon the corporate social responsibility throughout the year 2017 in the Sustainability Report.

11. Internal Control and Risk Management

11.1 Internal Control

11.1.1 Assessment of internal control system by the Board of Directors

Regarding the Board of Directors' meeting No. 6/2017 on December 15, 2017 in presence of the audit committee, the internal control system was assessed by inquiring the management about the 5 following elements of the assessment of internal control system;

- 1) Environment
- 2) Risk Management
- 3) Control activities of the management
- 4) Information and communication
- 5) Monitoring

According to the assessment, the Board of Directors considered that the company had the internal control system on the transactions with majority shareholders, directors, executives, or relevant persons sufficiently. In addition, the 5 elements of the internal control system were appropriate and sufficient to prevent assets from being misused by executives, as well as the internal audit system was independently monitored and assessed. The company also has had a well-organized system to keep important document which directors, auditors, and legally authorized persons can examine at the appropriate time.

11.2 Operations on internal control system of the company

The company and its subsidiaries place importance on the appropriate and sufficient internal control system to ensure the effective business operations. Thus, the company and its subsidiaries has determined policies, regulations, and handbooks covering all processes of important operations, as well as clearly specified scope of works and responsibilities in line with the check-and-balance system.

In 2017, the internal audit office examined and supervised the internal control system of the company and its subsidiaries, monitored the results of internal control procedures by external auditors, examined policies and other significant procedures related to the anti-corruption measures. Then, the audit results were reported together with observations, comments, and suggestions, and presented to the audit committee, and submitted such copy to the executives. During the previous year, the executives had emphasized the internal control system, and rectified such deficiencies in each department as the internal auditor suggested.

11.3 Observations of the internal auditor

In 2017, the internal audit office examined the sufficiency and effectiveness of the internal control, and presented to the audit committee. Such examination was in accordance with the degree of impacts on the business operations. Such period of time, the internal auditor assessed the internal control system of key procedures as follows;

- 1) Information procedures
- 2) Monitoring the audit results of the internal control procedures of the external auditor
- 3) Other significant procedures and policies for anti-corruption measures

These above-mentioned procedures were operated by observations, interviews, comparison of information, audit of working processes, and auditing other relevant information. The internal auditor summarized such issues and consulted with the company's officers to consider problems and rectification, and came to the mutually accepted conclusion. Thus, the observations of the internal auditor, business operations, and monitoring results as follows;

Observation/Suggestion	Auditing/ Monitoring Results
1. Overview of determining and establishing the internal control system in the organizational level	<p>1.The company has communicated the policies related to important business operational procedures such as anti-corruption policy, receiving and giving gifts policy, whistle-blowing policy, and so on.</p> <p>2. The company has trained and tested the information system changed from the econ system to the SAP system on a regular basis to ensure the readiness for applying the new system in 2018 to support the working procedures, preparation of financial statements, and information audit effectively.</p>
2. Monitoring the development and improvement of the internal control system in each business procedure	For the audit findings of 3 business procedures, the company has already rectified, improved, and took actions as summarized as follows;
2.1 Information procedures	1. The results were proceeded by observations from the internal control questionnaires: ICQ by SAP Business One System

Observation/Suggestion	Auditing/ Monitoring Results
	<p>2. The reports of the information of SAP Business One System in each procedure were reviewed.</p> <p>3. Suggestions were given to each department to develop and improve the operations.</p> <p>4. The IT contingency plans of the information technology in case of emergency was reviewed.</p>
2.2 Monitoring the audit results of the internal control procedures of the external auditor	<p>The important procedures were monitored as follow;</p> <ul style="list-style-type: none"> ● The system of farmer receivables is appropriately determined with the authorized person who is able to approve the sugarcane expenses, as well as the information of the limit of products is adjusted accurately and consistently. ● The system of revenue and receivables is separately specified in relation to duties, customer base, payment report, and receivable status report with completeness and appropriateness. ● The system of procurement and payables is supposed to fill the form in order to record other related items. ● Any important transaction relating to the salary system needs to be approved by the authorized person.
2.3 Other significant procedures and policies for anti-corruption measures	<p>1.The audit of the appropriateness, completeness, and communication about other important policies such as anti-corruption policy, receiving or giving gifts policy, corporate entertainment policy, and whistle-blowing policy.</p> <p>2.Auditing and monitoring other significant procedures as follows;</p> <ul style="list-style-type: none"> ● Sales and marketing procedures ● Procurement and contract procedures

Observation/Suggestion	Auditing/ Monitoring Results
	<ul style="list-style-type: none"> Human resources management procedures Risk assessment procedures of anti-corruption measures

11.4 Risk Management

The company's Risk Management Committee has established the risk management policy and procedures for the risk management office to execute that is responsible for defining and designing work system including identification of risk factors. To plan business operations or performance by considering the risk factors which will make the office can design a system with a control point that will enable it to manage and control risks at an acceptable level as detailed in the risk factors section. The risk management principles will be in compliance with the COSO-ERM (The Committee of Sponsoring Organizations of the Treadway Commission: Enterprise Risk Management), which includes the main 8 key components as follows;

- | | |
|-----------------------------------|------------------------|
| (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 is aware of risk management, therefore to appoint the risk management office in order to monitor risk management based on COSO-ERM and Business Unit, as well as to provide awareness to all employees across the organization on risk management by organizing in-house trainings upon the operation level in order to understand the risk management procedures as mentioned above, especially the risk response planning based on the 4T's Strategic Approach, and the Control Activities consisting of 4 control elements, that is; 1. Preventive Control, 2. Detective Control, 3. Corrective Control, and 4. Directive Control. This will enhance the well understanding among the operational level to ensure the achievement as targeted by the organization.

12. Related Transactions

Persons who may cause a conflict of interests include shareholders and/or executives of the company or related companies; that is: the companies that may cause a conflict of interests adhered to directors and/or shareholders of such companies as described follows;

No.	Persons with Conflict of Interest	Nature of Relationship
1.	Mr. Anant Tangtongwechakit	A director of the Company and holds 4.06% of the Company's shares.
2.	Miss Chittima Tangtrongwechakit	A director of the Company and holds 4.05% of the Company's shares.
3.	Mr. Sarit Tangtrongwechakit	A director of the Company and holds 4.05% of the Company's shares.
4.	Mr. Adisak Tangtrongwechakit	A director of the Company and holds 4.05% of the Company's shares
5.	Mrs. Jirawan Pongpichitkul	A director of the Company and holds 4.05% of the Company's shares.
6.	Mrs. Wanphen Punyaniran	A director of the Company and holds 4.05% of the Company's shares.
7.	Police General Charnchai Pongpichitkul	A spouse of Mrs. Jirawan Pongpichitkul
8.	Mr. Pond Rattanapunsak	A spouse of Miss Chittima Tangtrongwechakit
9.	Mr. Phakphoom Pongpichitkul	A son of Mrs. Jirawan Pongpichitkul
10.	B.R.S Train Terminal Logistics Co., Ltd.	There are persons no. 1-6 as shareholders, and 2 co-directors with the Company: that is; Mr. Anant Tangtongwechakit and Mr. Adisak Tangtrongwechakit.
11.	The Thai Sugar Trading Co., Ltd.	There is a 1 co-director with the Company: that is; Mr. Anant Tangtongwechakit, and the Company holds 4.26% of the shares.
12.	Buriram Capital Co., Ltd.	There are 6 co-directors with the Company: that is; persons no. 1-6, and Buriram Capital Co., Ltd. holds 50% of the Company's shares.

Related Transaction with Potential Conflict Parties

Parties with Conflict of Interest	Nature of Transactions	Amount in 2017 (Baht)	Reason and Necessity of Transactions
1. The Thai Sugar Trading Co., Ltd. ("TSTC")	<p>Transactions with the Company</p> <ul style="list-style-type: none"> - Revenue from sales - Other revenue - 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 receivables - Trade payables 	<p>3,121,662,389.29</p> <p>2,127,738.69</p> <p>6,064,542.74</p> <p>26,560,033.11</p> <p>198,395.65</p>	<ul style="list-style-type: none"> - The Company appoints TSTC which is authorized by the Cane and Sugar Board to export sugar under the Cane and Sugar Act, as the Company's agent for the sugar export. - The TSTC is founded by the collaboration of 22 sugar factories. Each sugar company holds TSTC's shares in proportion according to their export quantity. Moreover, the TSTC's directors consist of 1 representative from each company for maintaining their benefits. - In sugar export, the Company contacts customers itself. The TSTC provides service in product administration and export document operation only. - Product administration and export service expenses that the Company pays to the TSTC is at the standard rate which the TSTC equally charged to other companies. - The TSTC has signed a loan contract for the export with a commercial bank to the Company on behalf of the TSTC for the financial support. The TSTC shall transfer amount of money received from export loan with the commercial bank to the Company. Then, the Company shall issue the promissory note to the TSTC for money receipt. The interest rate that the Company pays to the TSTC in the promissory note is same as the interest rate that the TSTC pays to the commercial bank. <p>Opinions of the Audit Committee</p> <ul style="list-style-type: none"> - To appoint the TSTC as an export agent, and to receive the support loan for the export from a commercial bank through the TSTC is necessary for business operations according to related laws. - Export service expenses and related interest rate are reasonable.

Parties with Conflict of Interest	Nature of Transactions	Amount in 2017 (Baht)	Reason and Necessity of Transactions
2. The 6 directors are Mr. Anant Tangtongwechakit, Mr. Adisak Tangtongwechakit, Mr. Sarit Tangtongwechakit, Mrs. Jirawan Pongpichitkul, Miss Chittima Tangtongwechakit, and Mrs. Wanphen Punyaniran	As of December 31, 2017, 6 directors are loan guarantors of 15 cars and 2 machines used for moving materials of the company group with commercial banks and leasing companies for totaling 17 machines of the total guarantee amount of 33,839,747.24 Baht, and 8 photocopy machines totaling 481,500.00 Baht.		- The hire purchase was conducted for business administrations and operations of the Company. Opinions of the Audit Committee - The loan guarantee is a regular condition of the hire purchase. It is necessary for normal business operations. Moreover, no fee is charged for the guarantee, so that the Company and its subsidiaries do not lose any benefit from such operations.
3. The 5 directors are Mr. Anant Tangtongwechakit, Mr. Adisak Tangtongwechakit, Mr. Sarit Tangtongwechakit, Mrs. Jirawan Pongpichitkul and Miss Chittima Tangtongwechakit,	As of December 31, 2017, 5 directors are loan guarantors of the Company and its subsidiaries with a commercial bank for the value of such guarantee by 320 Million Baht.		- The loan limit is used for working capital in manufacturing, and as a loan to purchase property in the operations of its subsidiaries. No fee is charged for the guarantee. Opinions of the Audit Committee - The loan guarantee is a regular condition of the commercial bank. It is necessary for normal business operations. Moreover, no fee is charged for the guarantee, so that the Company and its subsidiaries do not lose any benefit from such operations.
4. The 3 directors are Mr. Anant Tangtongwechakit, Mr. Adisak Tangtongwechakit, Mrs. Jirawan Pongpichitkul, and 3 close relatives of the directors: Police General Charnchai Pongpichitkul, Mr. Pond Rattanapunsak, and Mr. Phakphoom Pongpichitkul	Farmer receivables – advance credit In production year 2016/2017, and 2017/2018, Buriram Sugar Factory Co., Ltd. (“BSF”) provided advance credit to the directors and such close relatives under the due time when delivering sugarcane to the factory as detailed below: - Principal - Loans during the period - Total loan - Paid during the period	50,135,902.39 23,404,817.62 73,540,720.01 33,152,350.36	- To provide advance credit to sugarcane farmers for their working capital of sugarcane growing to ensure sugarcane procurement for the sugar factory, considered as a normal operation of general sugar factories. The advance credit condition applied to the directors and their close relatives is the same conditions as done with other farmers. - Sugarcane procurement is a normal business practice of the Company. The sugarcane purchase price from the directors and their close relatives are the same price rate as done with other farmers. Opinions of the Audit Committee To give advance credit and sugarcane procurement are considered as normal operations of sugar factory business, including the price and condition are conducted the same as other persons.

Parties with Conflict of Interest	Nature of Transactions	Amount in 2017 (Baht)	Reason and Necessity of Transactions
	<ul style="list-style-type: none"> - Accounts receivable balances - Other receivables - Value of sugarcane purchased - Value of fertilizers and factors of production sold - Other payables 	40,388,369.65 539,066.60 16,213,563.53 5,130,057.76 -	
5. BRS Train Terminal Logistics Co., Ltd. ("BRS")	The Company has hired BRS Train Terminal Logistics Co., Ltd. to transport products of the Company. BRS Train Terminal Logistics Co., Ltd. has rented the Company's area as its office <ul style="list-style-type: none"> - Transportation fee - Warehouse rental fee - Revenue of office rental fee - Revenue of lost sugar fines - Trade payables at the end of period 	94,896,933.60 1,841,452.80 510,615.59 234,205.63 3,994,514.74	<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 monitoring the shipping, the Company allows BRS to rent a part of the Company's area as the BRS's office, and the rental fee is charged at a similar rate with the rental rate of other area in the same building. - Revenue of lost sugar fines will be accounted from lost sugar during transportation in the price rate of 20 Baht per kilogram by recording 19 Baht per kilogram for sugar retail price, and the remaining 1 Baht per kilogram for the estimated cost to compensate for document operations. - Since BRS operates the railway transportation and warehouse business, which is 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 and its subsidiaries also hire other transportation and warehouse service companies, not only BRS. In addition, BRS is able to perform their transport and storage facilities business independence of BRR, so the executives do not affiliate BRS into the business group of BRR. - For hiring BRS in the future, there will be not less than 4 contractors to offer service prices. After that the Company will compare their prices and inform such result to the Audit Committee for acknowledgement. Moreover, BRS will not be hired to transport sugar exceeding 30 percent of sugar quantity for export.

Parties with Conflict of Interest	Nature of Transactions	Amount in 2017 (Baht)	Reason and Necessity of Transactions
			<p>Opinions of the Audit Committee</p> <ul style="list-style-type: none"> - The Company does not affiliate BRS into its business group due to unnecessary business toward the Company's business operations. Moreover, BRS' s business is considered as a high uncertainty, so such excluded business helps reduce the operational risk. - To hire other companies for transportation is normal business operations and business necessity of the Company. Moreover, BRS' s service price is compared as a similar rate with other transportation companies'. - The office rental fee is to support its business operations with the rental rate comparable to other rental rate of nearby areas.
6. The 1 director is Mr. Adisak Tangtrongweachakit	<p><u>Leased Assets</u></p> <ol style="list-style-type: none"> 1. Buriram Energy Co., Ltd. ("BEC") has contracted for renting the land of 6 Rai, -Ngan, 69 square wa from the director with the rental fee of 24,690 Baht/Year. 2. BEC has contracted for renting the land of 13 Rai, 3 Ngan, 42 square wa from the director with the rental fee of 55,420 Baht/Year. 3. BEC has contracted for renting the land of 10 Rai, - Ngan, 26 square wa from the director with the rental fee of 40,260 Baht/Year. 	120,370.00	<ul style="list-style-type: none"> - BEC has the land lease agreement for the period of 25 years in order to build the power plant using bagasse, by-product from sugar production, with the rental fee at 10 Baht per square wa per year under the payment term of 2 times per year. In 2015, the company paid the rental fee in January, and recorded as the rental fee of the second half of the year for the advance payment done in June considered as the expenses in the first half of the year 2015 already. <p>Opinions of the Audit Committee</p> <ul style="list-style-type: none"> - The long-term land rental is used for building the power plant and considered as a part of business operations with the rental rate similar to other rental rate of nearby areas.

Measures of the related transactions

In case of a normal transaction such as a list of trading goods, raw materials, services, or give financial support for sugarcane plantation, etc., the company and its subsidiaries are able to do such transaction with a person which may cause a conflict of interests if such transaction is considered as a trade agreement in the same practices which a reasonable man would agree to with any partners in the same situations, without any influence entrusted by position as directors, executives, or relevant persons. Such transactions have to be summarized and reported to the Audit Committee to acknowledge in every quarter.

Thus, the company has established a policy to monitor the transactions of the financial support with a person who may have a conflict of interest as follows;

1. The scope of authority
2. The review of transactions

The Scope of Authority

The financial support is given to sugarcane farmers for production such as plantation, plant species, fertilizers, agricultural chemicals, land rental, sugarcanes, drip irrigation system, sugarcane land, agricultural machines, tractor, sugarcane harvester, truck and so on.

The executives have no authority to approve the financial support that is not for supporting sugarcane plantation. Purchasing sugarcanes is not considered the plantation support. The financial support other than expenses or plantation support must be reported to the Audit Committee to consider and approve prior to proposing to the Board of Directors or shareholders for further approval, which depends on a transaction size in line with the regulations specified by Notification of the Capital Market Supervisory Board, and announcements of the Stock Exchange of Thailand to be applied mutatis mutandis.

The Review of Transactions

The internal auditor examines and reviews the transactions as follows;

1. Check the completeness of the transactions by listing persons who may have a conflict of interests to be compared with the individual financial support account.
2. Such list will be verified whether the financial support is proceeded in compliance with the transaction nature, additional document, price, conditions, and procedures of the specified policy or not.
3. Summarize the results and report to the Audit Committee on a quarterly basis.

The hiring process for sugar transportation with B.R.S. Trainterminal Logistics Co., Ltd. which may have a conflict of interests. The actions required are as follows:

1. Need to provide for bids from at least 4 providers.
2. Need obvious scope of services, such as origin and destination location, year of production or other additional services and so on.
3. Arrange a contract that specifies the obvious price and relevant conditions.
4. Summarize the conclusion for choosing the service providers compared with those who are not selected in order to report to the Audit Committee.

In case of other related transactions aside from normal business transactions must be reviewed and approved by the Audit Committee which will provide opinion about necessity of such transactions and appropriateness of price to be ensured that transactions will be carried out in conformance with normal market practices at fair and reasonable price. For entering other transactions between the company or its subsidiaries and potentially conflicted persons, the transactions must be considered by the Audit Committee and must be approved by the Board of Directors before undertaking. The directors who involve in such potential conflict of interests shall not attend the meeting in those agendas. In case that the Audit Committee has no expertise in any of the related transaction, the company shall appoint independent expert to provide opinions on such transaction for the Board of Directors or shareholders as appropriate.

Thus, the Board of Directors must supervise the company to act in accordance with laws on securities and exchange, regulations, announcements, orders, or rules of the Stock Exchange of Thailand, or the Securities and Exchange Commission or the Capital Market Supervisory Board. Additionally, the company shall disclose related transactions in each information channel in conformance to regulations of the Stock Exchange of Thailand and related organizations.

Policy on Related Transactions

The company or its subsidiaries will continue to have recurrent related transactions in the future that are conducted as part of the normal business practices, for example, sugarcane procurement and financial support for sugarcane growing, etc. The pricing policy will be clearly set in the agreement and in line with the market prices, and conditions with no special favors, and no transfer of benefits that reasonable man 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 happens between the company or its subsidiaries with a person who may cause potential conflict of interests shall exist because of the necessity of loan request from a financial institute to procure raw materials, provide financial support for sugarcane plantation, as well as a working capital, 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 a conflict of interests shall occur for business operations in respect of the necessity and appropriateness of such transactions. The company shall provide loan contract and set clear conditions mainly concerning about the benefits of the company. Additionally, the company or its subsidiaries do not have any policy on loan providing and/or debt guarantee, aside from the financial support for sugarcane plantation to persons that may cause a conflict of interests.

For any related transaction that may cause a conflict of interests in the future, the Board of Directors shall govern the Company's operations to ensure the compliance with the law on securities and exchange, regulations, orders, or rules of the Stock Exchange of Thailand, including regulations with regard to the information disclosure of the related transactions, and the acquisition or disposition of assets of the company and its subsidiaries.

13. Financial Statements

13.1 Summary of the auditor's report for the past 3 years

The consolidated financial statements ended December 2015, 2016, and 2017 were audited by Mr. Prasit Yuengsrikul, a certified public accountant (Thailand) No. 4174, from PricewaterhouseCoopers ABAS Ltd. In the auditor's opinion, the financial position, financial performance, and cash flows for the year then ended are present fairly, in all material respects, in accordance with the accounting standards.

13.2 Table of the Financial Statements Summary

The table of the financial position, comprehensive income, and cash flows for the last 3 years as at December 31, 2015, 2016, and 2017 on the consolidated financial statements including 8 subsidiaries as follows;

Statements of Financial Position

(Unit : Million Baht)

	As at December 31					
	2015 (Consolidated)		2016 (Consolidated)		2017 (Consolidated)	
	Amount	Percent	Amount	Percent	Amount	Percent
Assets						
Current Assets						
Cash and Deposits with financial institutions	213.92	3.16	85.35	1.18	229.07	2.48
Trade receivables – net	221.16	3.27	214.99	2.97	255.56	2.77
Farmer receivables – net	701.90	10.38	990.07	13.70	868.43	9.40
Inventories	715.21	10.57	581.63	8.05	1,060.77	11.49
Current portion of long-term borrowings to farmers	96.15	1.42	175.77	2.43	224.92	2.44
Other current assets	48.71	0.72	48.24	0.67	16.75	0.18
Total current assets	1,997.05	29.52	2,096.05	29.00	2,655.50	28.76
Non-current assets						
Other long-term investments – net	1.90	0.03	1.99	0.03	2.14	0.02
Investment in an associate	-	-	-	-	1,227.13	13.29
Long-term borrowings to farmers – net	110.45	1.63	203.03	2.81	308.24	3.34
Other receivable – Office of the Cane and Sugar Fund	155.85	2.31	-	-	-	-
Property, plant and equipment – net	4,264.59	63.04	4,684.63	64.83	4,810.7	52.1
Intangible assets – net	17.22	0.26	27.75	0.38	26.23	0.29
Deferred tax assets – net	211.13	3.12	195.81	2.71	194.43	2.11
Other non-current assets	6.29	0.09	17.60	0.24	8.37	0.09
Total non-current assets	4,767.43	70.48	5,130.81	71.00	6,577.24	71.24
Total assets	6,764.48	100.00	7,226.86	100.00	9,232.74	100.00

(Unit : Million Baht)

	As at December 31					
	2015 (Consolidated)		2016 (Consolidated)		2017 (Consolidated)	
	Amount	Percent	Amount	Percent	Amount	Percent
Liabilities and equity						
Current liabilities						
Bank overdrafts	0.01	0.00	-	-	-	-
Trade and other payables	512.26	7.57	602.36	8.33	716.12	7.76
Short-term borrowings from financial institutions	1,475.18	21.81	1,710.25	23.67	1,136.30	12.31
Current portion of long-term borrowings from financial institutions	304.30	4.50	508.67	7.04	450.39	4.88
Current portion of long-term borrowings from an associate	-	-	-	-	172.59	1.87
Current portion of hire-purchase liabilities	10.57	0.15	10.11	0.14	10.87	0.12
Debentures	-	-	850.00	11.76	-	0
Long-term borrowings from financial institutions	-	-	422.16	5.84	0	0
Current portion of employee benefit obligations	6.64	0.10	9.34	0.13	7.72	0.08
Income tax payable	12.87	0.19	4.24	0.06	30.89	0.33
Other current assets	26.91	0.40	15.75	0.22	24.53	0.26
Total current liabilities	2,348.74	34.72	4,132.88	57.19	2,549.41	27.61
Non-current liabilities						
Long-term borrowings from financial institutions	1,390.19	20.55	961.04	13.30	805.27	8.72
Long-term borrowings from an associate – net	-	-	-	-	3,356.80	36.36
Hire-purchase liabilities – net	14.07	0.21	15.63	0.21	14.43	0.16
Debentures	850.00	12.57	-	-	-	-
Deferred tax liabilities – net	9.15	0.13	0.44	0.01	-	-
Retirement benefit obligations – net	26.15	0.39	23.24	0.32	34.29	0.37
Other non-current liabilities	-	-	0.86	0.01	-	-
Total non-current liabilities	2,289.56	33.85	1,001.21	13.85	4,210.79	45.61
Total liabilities	4,638.30	68.57	5,134.09	71.04	6,760.20	73.22
Equity						
Share capital						
Authorized share capital	676.75	10.01	676.75	9.36	812.10	8.80
Issued and paid-up share capital	676.75	10.01	676.75	9.36	812.10	8.80
Premium on ordinary shares	954.67	14.12	954.67	13.21	954.67	10.34
Retained earnings	-	-	-	-	-	-
Appropriated – Legal reserve	25.67	0.37	39.68	0.55	51.76	0.56
Unappropriated	468.91	6.93	420.83	5.83	652.55	7.07
Other components of equity	-0.41	-0.01	0.01	0.00	0.13	0.00
Non-controlling interests	0.59	0.01	0.83	0.01	1.33	0.01
Total equity	2,126.18	31.43	2,092.77	28.96	2,472.54	26.78
Total liabilities and equity	6,764.48	100.00	7,226.86	100.00	9,232.74	100.00

Statements of Comprehensive income

(Unit : Million Baht)

	2015 (Consolidated) (Audited)		2016 (Consolidated) (Audited)		2017 (Consolidated) (Audited)	
	Amount	Percent	Amount	Percent	Amount	Percent
Revenue						
Revenue from sales and services	4,226.65	98.39	4,579.21	97.73	5,740.44	97.37
Other revenue	69.21	1.61	106.32	2.27	155.31	2.63
Total revenue	4,295.86	100.00	4,685.54	100.00	5,895.75	100.00
Expenses						
Cost of sales and service	3,321.65	77.32	3,818.64	81.49	4,428.22	75.11
Selling expenses	175.73	4.09	170.63	3.64	193.67	3.28
Administrative expenses	346.94	8.08	376.96	8.05	411.05	6.97
Total expenses	3,844.32	89.49	4,366.23	93.18	5,032.94	85.37
Finance costs	125.49	2.92	176.70	3.77	283.78	4.81
Share of profit from an associate	-	-	-	-	32.42	0.55
Profit before income tax expense	326.05	7.59	142.61	3.04	611.45	9.64
Income tax expense	53.70	1.25	29.29	0.63	86.03	1.46
Net profit for the year	272.35	6.34	113.32	2.42	525.42	8.91
Profit from measurement in value of available-for-sale investments – net of tax	-0.06	0.00	0.42	0.01	0.11	0.00
Actuarial gain	0.89	0.02	1.74	0.04	-8.73	0.15
Total comprehensive income for the year	273.18	6.36	115.48	2.46	516.80	8.77
Profit attributable to:						
Owners of the parent	271.97	6.33	113.08	2.41	524.73	8.90
Non-controlling interests	0.38	0.01	0.24	0.01	0.69	0.01
Earnings per share (Baht)**	0.40		0.17		0.65	

Remarks ** 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 at the end of the year.

Statement of Cash Flows

(Unit : Million Baht)

	2015 (Audited)	2016 (Audited)	2017 (Audited)
	Amount	Amount	Amount
Cash flows from operating activities			
Profit before income tax expense	326.05	142.61	611.45
Adjustments to reconcile profit for the year to net cash provided by operations:			
- Depreciation and amortization	160.52	217.81	259.10
- Interest income	-24.71	-47.22	-100.75
- Dividend income	-0.15	-0.15	-0.15
- Allowance for doubtful accounts	-29.02	14.04	5.38
- Allowance for declining in value of inventories	1.08	4.35	-0.34
- Losses on impairment of property, plant and equipment	-	33.88	0
- (Gains) losses on disposals of property, plant and equipment	-6.76	2.99	0.78
- Losses on write-off of property, plant and equipment	0.72	0.59	25.89
- Losses on disposals of investments	-	0.35	0
- Finance costs	125.49	176.70	283.78
- Share of profit from an associate	-	-	-32.42
- Employee benefit expenses of employment termination or retirement	3.37	4.09	3.79
Cash flows before changes in operating assets and liabilities	556.59	550.04	1,056.51
Changes in operating assets and liabilities			
- Trade and other receivables	71.87	-8.73	-37.15
- Farmer receivables	-167.40	-287.31	112.84
- Inventories	-105.75	129.23	-478.80
- Other current assets	24.67	0.46	31.49
- Other receivable – Office of the Cane and Sugar Fund	-155.85	155.85	-
- Other non-current assets	-4.10	-11.30	9.23
- Trade and other payables	18.24	87.51	67.96
- Other current liabilities	-4.58	-11.16	8.78
- Employee benefit obligations	-0.30	-2.40	-5.28
- Other non-current liabilities	-	0.85	-0.85
Cash generated from (used in) operating activities	233.39	603.04	764.73
- Income tax paid	-35.94	-31.49	-56.30
- Finance costs	-120.12	-174.12	-238.12
Net cash generated from (used in) operating activities	77.33	397.43	470.31
Cash flows from investing activities			
Interest received	24.71	47.22	100.75
Dividend received	0.15	0.15	0.15
Purchase of investment in an associate	-	-	-1,194.71

	2015 (Audited)	2016 (Audited)	2017 (Audited)
	Amount	Amount	Amount
Cash flows from investing activities (continued)			
Proceeds from long-term borrowings to farmers	82.18	96.15	128.03
Payments on long-term borrowings to farmers	-23.47	-268.34	-282.40
Proceeds from disposals of property, plant and equipment	19.39	1.90	2.92
Purchases of property, plant and equipment	-1,339.34	-655.04	-399.25
Capitalized borrowing costs to property, plant and equipment	-35.34	-20.23	-3.44
Net cash (used in) generated from investing activities	-1,271.72	-798.19	-1,647.95
Cash flows from financing activities			
Increased (decreased) from short-term borrowings from financial institutions	-724.34	235.07	-573.95
Proceeds from long-term borrowings from financial institutions	1,709.28	502.24	289
Proceeds from long-term borrowings from an associate	-	-	3,539.75
Proceeds from issuance of debentures	850.00	-	-
Repayments on long-term borrowings from financial institutions	-627.57	-304.86	-925.22
Repayments on long-term borrowings from an associate	-	-	-10.36
Repayments on debentures	-	-	-850
Repayments on hire-purchase liabilities	-12.18	-11.39	-10.97
Proceeds from issuance of ordinary shares from non-controlling interests	-	-	-
Repayments on stock payable	-	-	-
Borrowings of directors increased (decreased)	-	-	-
Dividend paid	-135.41	-148.88	-136.89
Net cash generated from (used in) financing activities	1,059.78	272.18	1,321.36
Net increase (decrease) in cash and cash equivalents	-134.61	-128.58	143.72
Cash and cash equivalents at opening balance	348.53	213.92	85.35
Cash and cash equivalents at closing balance	213.92	85.34	229.07

Financial Ratio

	2015	2016	2017
<u>Liquidity ratio</u>			
Current ratio (times)	0.85	0.51	1.04
Quick ratio (times)	0.55	0.37	0.63
Current cash flow ratio (times)	0.03	0.19	0.14
Accounts receivable turnover (times)	15.93	19.59	22.36
Average collection period (day)	22.60	18.38	16.10
Inventories receivable turnover (times)	5.01	5.89	5.39
Average selling period (day)	71.84	61.13	66.76
Accounts payable turnover (times)	6.64	6.85	6.72
Payment period (days)	54.24	52.54	53.59
Cash Cycle (day)	40.20	26.97	29.27
<u>Profitability ratio</u>			
Gross profit (%)	21.41	16.61	22.86
Operating profit (%)	14.48	11.73	15.03
Other profit (%)	0.85	1.61	2.27
Operating cash flow turnover (%)	12.63	73.99	54.51
Net profit (%)	6.34	2.42	8.91
Return on equity (%)	13.24	5.37	23.02
<u>Efficiency ratio</u>			
Return on total asset (%)	4.48	1.62	6.38
Return on fixed asset (%)	11.79	7.35	11.07
Total asset turnover (time)	0.71	0.67	0.72
<u>Financial policy ratio</u>			
Debt to equity (time)	2.18	2.45	2.73
Interest coverage (time)	3.81	1.53	4.02
Payout ratio (%)	55.00	130.71	46.15

BURIRAM SUGAR PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMEN

31 DECEMBER 2017

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 2017, 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

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then end; and
- the notes to the consolidated and separate financial statements, which include 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 two key audit matters: Allowance for doubtful accounts - Farmer receivables and 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>Allowance for doubtful account - Farmer receivables</p> <p>Refer to Note 2.6 'Accounting policies - Trade and farmer receivables' and Note 9 'Farmer receivables, net' to the consolidated and separate financial statements.</p> <p>The Group has account farmer receivables in the amount of Baht 868.43 million or 9.41% of total assets. The management has a policy to assess the collectability of outstanding accounts receivables and sets up the appropriate allowance for doubtful accounts - farmer receivables based on period of overdue balance, collectability histories, collaterals and future expectations of repayments. As at 31 December 2017, the allowance for doubtful accounts - farmer receivables was set up totalling Baht 88.65 million.</p> <p>The allowance is initially assessed based on number of days outstanding of farmer receivables which full amount will be recorded for overdue more than 2 years after deducting appraisal value of collateral. The management assess the value of collateral by comparing between the market value and carrying value and reassess its value on a yearly basis. In addition, they will also consider individual high-value overdue accounts based on historical collectability and the possibility of recoverable amount and adjust the allowance as appropriate.</p> <p>I focused on this area due to the amount of allowance for doubtful accounts are material and related with the management's judgement on the reasonableness of the assumptions used in the valuation of the collateral and the collectability in the future.</p>	<p>I evaluated the appropriateness of the allowance for doubtful account - Farmer receivables by :</p> <ul style="list-style-type: none"> challenging the appropriateness of management's identification and judgement of allowance required testing the reliability of accounting receivables aging report initially used in assessing the allowance assessing the reasonableness of the historical data for farmer receivables collection included the possibility of recoverable amount and considering the management's reasons used to determine whether to adjust the allowance based on the assessment of overdue individual accounts receivables, and examining each collateral value with reliable external sources of information and comparing value with similar and comparative objects market value <p>Based on my procedures above, I found that the allowance for doubtful accounts - farmer receivables was reasonable and consistent with historical data and align with the available evidence.</p>
<p>Valuation of raw material - Sugarcane price</p> <p>Refer to Note 2.7 'Accounting policies - Inventories' and Note 10 'Inventories, net' to the consolidated and separate financial statements.</p> <p>The Group has an inventory balance totalling Baht 1,060.77 million which consist of raw material totalling Baht 31.94 million. The 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 for both domestics and overseas, 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

26 February 2018

Buriram Sugar Public Company Limited
Statements of Financial Position
As at 31 December 2017

		Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
Notes		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	229,068,711	85,346,019	18,193,199	4,491,384
Trade and other receivables, net	8, 30	255,555,054	214,995,565	313,054,963	33,746,237
Farmer receivables, net	9, 30	868,428,756	990,066,535	-	10,300,000
Inventories, net	10	1,060,772,238	581,629,513	-	-
Current portion of long-term borrowings to subsidiaries	30	-	-	120,000,000	95,000,000
Current portion of long-term borrowings to farmer receivables	15, 30	224,921,212	175,765,724	-	-
Other current assets	11	16,752,433	48,245,082	5,001,824	7,958,509
Total current assets		2,655,498,404	2,096,048,438	456,249,986	151,496,130
Non-current assets					
Other long-term investments, net	14	2,136,915	1,995,734	729,140	587,959
Investment in an associate	12	1,227,127,544	-	1,194,706,818	-
Investment in subsidiaries	13	-	-	1,445,476,600	1,445,476,600
Long-term borrowings to subsidiaries, net	30	-	-	2,259,654,765	2,652,863,752
Long-term borrowings to farmer receivables, net	15, 30	308,242,107	203,031,477	-	-
Property, plant and equipment, net	16	4,810,700,305	4,684,626,966	23,154,842	15,634,001
Intangible assets, net	17	26,231,454	27,750,587	11,046,137	10,491,058
Deferred tax assets, net	18	194,433,310	195,806,889	20,008,746	10,667,628
Other non-current assets		8,368,062	17,596,449	499,811	156,900
Total non-current assets		6,577,239,697	5,130,808,102	4,955,276,859	4,135,877,898
Total assets		9,232,738,101	7,226,856,540	5,411,526,845	4,287,374,028

Director _____

Date _____

The accompanying notes on pages 13 to 56 are an integral part of these consolidated and separate financial statements.

Buriram Sugar Public Company Limited
Statements of Financial Position
As at 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade and other payables	19, 30	716,121,941	602,354,572	44,705,951	11,752,547
Short-term borrowings from financial institutions and other	20	1,136,304,878	1,710,253,155	90,688,878	1,003,953,155
Current portion of long-term borrowings from financial institutions and other	20	450,385,877	508,671,328	-	-
Current portion of long-term borrowings from an associate	20, 30	172,589,789	-	-	-
Current portion of long-term borrowings from subsidiaries	20, 30	-	-	198,000,000	-
Current portion of hire-purchase liabilities	20	10,872,088	10,105,057	1,611,748	251,802
Debentures	20	-	850,000,000	-	850,000,000
Long-term borrowings from a financial institution	20	-	422,159,900	-	-
Current portion of employee benefit obligations	22	7,721,815	9,343,087	2,399,177	3,423,149
Income tax payable		30,889,265	4,239,336	-	354,339
Other current liabilities	21	24,530,790	15,750,240	6,429,546	8,340,440
Total current liabilities		2,549,416,443	4,132,876,675	343,835,300	1,878,075,432
Non-current liabilities					
Long-term borrowings from financial institutions and other, net	20	805,266,914	961,041,026	-	-
Long-term borrowings from an associate, net	20, 30	3,356,799,640	-	-	-
Long-term borrowings from subsidiaries, net	20, 30	-	-	2,548,119,162	-
Hire-purchase liabilities, net	20	14,433,900	15,630,342	5,350,331	777,980
Deferred tax liabilities, net	18	-	443,997	-	-
Employee benefit obligations, net	22	34,285,227	23,237,045	11,996,787	7,930,227
Other non-current liabilities		-	856,000	-	-
Total non-current liabilities		4,210,785,681	1,001,208,410	2,565,466,280	8,708,207
Total liabilities		6,760,202,124	5,134,085,085	2,909,301,580	1,886,783,639

The accompanying notes on pages 13 to 56 are an integral part of these consolidated and separate financial statements.

Buriram Sugar Public Company Limited
Statements of Financial Position
As at 31 December 2017

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	23				
Authorised share capital					
812,099,845 ordinary shares					
at par value of Baht 1 each					
(31 December 2016: 676,750,000 ordinary					
shares at per value of Baht 1 each)		812,099,845	676,750,000	812,099,845	676,750,000
Issued and paid-up share capital					
812,099,845 ordinary shares					
fully paid-up of Baht 1 each					
(31 December 2016: 676,750,000 ordinary					
shares fully paid-up of Baht 1 each)		812,099,845	676,750,000	812,099,845	676,750,000
Premium on ordinary shares		954,665,813	954,665,813	954,665,813	954,665,813
Retained earnings					
Appropriated					
- Legal reserve	25	51,760,392	39,680,867	51,760,392	39,680,867
Unappropriated		652,547,941	420,828,757	683,571,019	729,478,458
Other components of equity		128,196	15,251	128,196	15,251
Equity attributable to owners					
of the parent		2,471,202,187	2,091,940,688	2,502,225,265	2,400,590,389
Non-controlling interests		1,333,790	830,767	-	-
Total equity		2,472,535,977	2,092,771,455	2,502,225,265	2,400,590,389
Total liabilities and equity		9,232,738,101	7,226,856,540	5,411,526,845	4,287,374,028

The accompanying notes on pages 13 to 56 are an integral part of these consolidated and separate financial statements.

Buriram Sugar Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2017

		Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
	Notes	Baht	Baht	Baht	Baht
Revenue from sales and services		5,740,443,011	4,579,212,363	-	-
Cost of sales and services		(4,428,224,954)	(3,818,638,471)	-	-
Gross profit		1,312,218,057	760,573,892	-	-
Other income	26	151,720,484	95,225,189	508,961,801	259,198,662
Gain (loss) on foreign exchange rate		3,591,619	11,093,070	9,759	(969)
Selling expenses		(193,671,029)	(170,626,771)	-	-
Administrative expenses		(411,053,917)	(376,955,843)	(148,045,752)	(128,547,444)
Finance costs		(283,777,311)	(176,701,185)	(125,472,233)	(76,918,283)
Share of profit from an associate	12	32,420,725	-	-	-
Profit before income tax	28	611,448,628	142,608,352	235,453,575	53,731,966
Income tax	28	(86,034,878)	(29,287,465)	6,137,934	(11,307,349)
Profit for the year		525,413,750	113,320,887	241,591,509	42,424,617
Other comprehensive income (expense):					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	22	(10,909,588)	1,897,886	(4,019,683)	658,706
Income tax relating to remeasurements of post-employment benefit obligations		2,181,918	(158,780)	803,937	38,983
		(8,727,670)	1,739,106	(3,215,746)	697,689
Items that will be reclassified subsequently to profit or loss					
Change in value of available-for-sale investments		141,181	34,428	141,181	34,428
Transferred disposal of available-for-sale investments		-	408,912	-	408,912
Income tax relating to change in value of available-for-sale investments		(28,236)	(19,177)	(28,236)	(19,177)
		112,945	424,163	112,945	424,163
Other comprehensive income (expense) for the year, net of tax		(8,614,725)	2,163,269	(3,102,801)	1,121,852
Total comprehensive income for the year		516,799,025	115,484,156	238,488,708	43,546,469
Profit attributable to:					
Owners of the parent		524,725,886	113,082,955	241,591,509	42,424,617
Non-controlling interests		687,864	237,932	-	-
		525,413,750	113,320,887	241,591,509	42,424,617
Total comprehensive income attributable to:					
Owners of the parent		516,115,331	115,245,190	238,488,708	43,546,469
Non-controlling interests		683,694	238,966	-	-
		516,799,025	115,484,156	238,488,708	43,546,469
Earnings per share					
Basic earnings per share	29	0.65	0.14	0.30	0.05

The accompanying notes on pages 13 to 56 are an integral part of these consolidated and separate financial statements.

Buriram Sugar Public Company Limited
 Statement of Changes in Equity
 For the year ended 31 December 2017

Consolidated financial statements										
		Other components							Total	Baht
		Retained earnings		Fair value reserve			Non-controlling interests			
				of available-for-sale investments						
Issued and paid-up share capital	Premium on ordinary shares	Appropriated Legal reserve	Unappropriated	Total owners of the parent						
Notes	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2017										
Changes in equity for the year 2017										
23, 24	135,349,845	-	-	(135,349,845)	-	-	-	-	-	-
24	-	-	-	(136,853,832)	-	-	(136,853,832)	(180,671)	(137,034,503)	
25	-	-	12,079,525	(12,079,525)	-	-	-	-	-	
Total comprehensive income for the year										
	-	-	-	516,002,386	112,945	516,115,331	683,694	516,799,025		
Closing balance as at 31 December 2017										
	812,099,845	954,665,813	51,760,392	652,547,941	128,196	2,471,202,187	1,333,790	2,472,535,977		
Opening balance as at 1 January 2016										
Changes in equity for the year 2016										
24	-	-	-	(148,885,000)	-	-	(148,885,000)	-	(148,885,000)	
25	-	-	14,011,720	(14,011,720)	-	-	-	-	-	
Total comprehensive income for the year										
	-	-	-	114,821,027	424,163	115,245,190	238,966	115,484,156		
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		

The accompanying notes on pages 13 to 56 are an integral part of these consolidated and separate financial statements.

Buriram Sugar Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2017

		Separate financial statements					Other components of equity		
Notes		Issued and Paid-up share capital	Premium on ordinary shares	Retained earnings		Fair value reserve of available-for-sale investments	Total		
		Baht	Baht	Appropriated Legal reserve	Unappropriated				
				Baht	Baht		Baht		Baht
	Opening balance as at 1 January 2017	676,750,000	954,665,813	39,680,867	729,478,458	15,251	2,400,590,389		
	Changes in equity for the year 2017								
23, 24	Stock dividends	135,349,845	-	-	(135,349,845)	-	-		-
24	Dividends paid	-	-	-	(136,853,832)	-	(136,853,832)		
25	Legal reserve	-	-	12,079,525	(12,079,525)	-	-		-
	Total comprehensive income for the year	-	-	-	238,375,763	112,945	238,488,708		
	Closing balance as at 31 December 2017	812,099,845	954,665,813	51,760,392	683,571,019	128,196	2,502,225,265		
	Opening balance as at 1 January 2016	676,750,000	954,665,813	25,669,147	849,252,872	(408,912)	2,505,928,920		
24	Dividends paid	-	-	-	(148,885,000)	-	(148,885,000)		
25	Legal reserve	-	-	14,011,720	(14,011,720)	-	-		-
	Total comprehensive income for the year	-	-	-	43,122,306	424,163	43,546,469		
	Closing balance as at 31 December 2016	676,750,000	954,665,813	39,680,867	729,478,458	15,251	2,400,590,389		

The accompanying notes on pages 13 to 56 are an integral part of these consolidated and separate financial statements.

Buriram Sugar Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2017

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		611,448,628	142,608,352	235,453,575	53,731,966
Adjustments to reconcile profit before income tax to net cash provided by operations:					
- Depreciation and amortisation	16, 17, 27	259,098,486	217,863,287	2,506,464	1,813,345
- Interest income	26	(100,750,755)	(47,224,855)	(165,197,408)	(179,199,606)
- Dividend income	26	(153,510)	(153,510)	(230,507,419)	-
- Allowance for doubtful accounts (reversal)	8, 9	5,385,453	14,042,099	3,622,216	(1,666,096)
- Allowance for declining in value of inventories (reversal)	10	(340,662)	4,349,522	-	-
- Allowance for impairment of property plant and equipment	16	-	33,885,040	-	-
- Losses on disposals of property, plant and equipment		779,452	2,992,907	590	-
- Losses on write-off of property, plant and equipment		25,889,472	595,399	5,274	525,988
- Losses on disposals of investments		-	351,256	-	351,256
- Finance costs		283,777,311	176,701,185	125,472,233	76,918,283
- Share of profit from an associate	12	(32,420,725)	-	-	-
- Employee benefit expenses	22	3,795,319	4,086,703	1,302,744	1,351,782
Cash flows before changes in operating assets and liabilities		1,056,508,469	550,097,385	(27,341,731)	(46,173,082)
Change in operating assets and liabilities					
- Trade and other receivables		(37,150,968)	(8,731,562)	(47,474,300)	119,697,594
- Farmer receivables		112,843,805	(287,311,198)	6,677,784	2,266,096
- Inventories		(478,802,063)	129,227,862	-	-
- Other current assets		31,492,649	460,399	2,956,685	1,516,391
- Other receivable - office of the Cane and Sugar Fund		-	155,848,895	-	-
- Other non-current assets		9,228,387	(11,302,856)	(342,911)	(156,900)
- Trade and other payables		67,965,640	87,514,710	(1,615,779)	(133,705,737)
- Other current liabilities		8,780,550	(11,157,811)	(1,910,894)	2,212,630
- Employee benefit paid	22	(5,277,997)	(2,401,975)	(2,279,839)	(1,309,150)
- Other non-current liabilities		(856,000)	856,000	-	-
Cash generated from (used in) operating activities		764,732,472	603,099,849	(71,330,985)	(55,652,158)
- Income tax paid		(56,301,683)	(31,486,940)	(2,781,823)	(17,217,382)
- Interest paid		(238,117,150)	(174,124,370)	(91,044,618)	(76,663,831)
Net cash generated from (used in) operating activities		470,313,639	397,488,539	(165,157,426)	(149,533,371)

The accompanying notes on pages 13 to 56 are an integral part of these consolidated and separate financial statements.

Buriram Sugar Public Company Limited

Statements of Cash Flows

For the year ended 31 December 2017

		Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
Notes		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Interest received		100,750,755	47,224,855	163,870,401	182,737,807
Dividend received	26	153,510	153,510	-	-
Purchase of investment in an associate	12	(1,194,706,818)	-	(1,194,706,818)	-
Purchase of investment in subsidiaries	13	-	-	-	(164,999,000)
Proceeds from long-term borrowings to subsidiaries		-	-	2,345,008,987	1,208,604,776
Proceeds from long-term borrowings to farmers receivables	15	128,034,322	96,149,412	-	-
Payments on long-term borrowings to subsidiaries		-	-	(1,976,800,000)	(564,899,898)
Payments on long-term borrowings to farmers receivables	15	(282,400,440)	(268,348,233)	-	-
Proceeds from disposals of property, plant and equipment		2,916,355	1,901,682	468	-
Purchases of property, plant and equipment and intangible assets		(399,252,127)	(655,094,452)	(4,084,572)	(15,668,334)
Capitalised borrowing costs to property, plant and equipment		(3,444,007)	(20,233,007)	-	-
Net cash (used in) generated from investing activities		(1,647,948,450)	(798,246,233)	(666,711,534)	645,775,351
Cash flows from financing activities					
Increased (decreased) from short-term borrowings					
from financial institutions and other	20	(573,948,277)	235,068,567	(913,264,277)	(354,262,833)
Proceeds from long-term borrowings					
from financial institutions and other	20	289,000,000	502,238,640	-	-
Proceeds from long-term borrowings from an associate	20	3,539,747,642	-	-	-
Proceeds from long-term borrowings from subsidiaries	20	-	-	2,746,119,162	-
Repayments on long-term borrowings from					
financial institutions and other	20	(925,219,463)	(304,857,542)	-	-
Repayments on long-term borrowings from an associate	20	(10,358,213)	-	-	-
Repayments on debentures	20	(850,000,000)	-	(850,000,000)	-
Repayments on hire-purchase liabilities		(10,971,251)	(11,385,410)	(571,846)	(201,426)
Dividend paid	24	(136,892,935)	(148,885,000)	(136,712,264)	(148,885,000)
Net cash generated from (used in) financing activities		1,321,357,503	272,179,255	845,570,775	(503,349,259)
Net increase (decrease) in cash and cash equivalents		143,722,692	(128,578,439)	13,701,815	(7,107,279)
Opening balance		85,346,019	213,924,458	4,491,384	11,598,663
Closing balance		229,068,711	85,346,019	18,193,199	4,491,384
Non-cash transactions					
Increased from purchases of property, plant and equipment					
under hire-purchase liabilities		10,541,840	12,484,227	6,504,143	1,231,209
Stock dividends	23, 24	135,349,845	-	135,349,845	

The accompanying notes on pages 13 to 56 are an integral part of these consolidated and separate financial statements.

Buriram Sugar Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

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.

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 consolidated and separate financial statements were authorised for issue by the Board of Directors on 26 February 2018.

2 Accounting policies

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

2.1 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 4.

An English-language of the consolidated and separate financial statements has been prepared from the 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 financial statements shall prevail.

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards, and related interpretations

- a) Revised financial reporting standards and interpretations are effective on 1 January 2017 which are relevant and have a significant impact to the Group are as follows:

TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 38 (revised 2016)	Intangible assets
TFRS 11 (revised 2016)	Joint arrangements

- b) Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group and the Group has not yet adopted these revised standards are as follows.

TAS 7 (revised 2017)	Statement of Cash Flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

The Group's management assessed and considered that the above revised standards will not have a material impact on the Group except for disclosure.

2.3 Group accounting - Investments in subsidiaries and associates

(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-measurement 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.

Buriram Sugar Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies (Cont'd)

2.3 Group accounting - Investments in subsidiaries and associates (Cont'd)

(1) Subsidiaries (Cont'd)

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 13.

(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.

(4) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

(5) Accounting under equity method

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in associates is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in an associates is recognise in profit or loss.

The Group's share of its associates post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associates equals or exceeds its interest in the associates, together with any long-term interests that, in substance, form part of the entity's net investment in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

The Group determines at each reporting date whether there is any objective evidence that the investments in the associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of associates in statement of income.

2 Accounting policies (Cont'd)

2.3 Group accounting - Investments in subsidiaries and associates (Cont'd)

(5) Accounting under equity method (Cont'd)

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(6) Separate financial statement

In the separate financial statements, investments in the associate is accounted for at cost less impairment (if any). Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

2.5 Cash and cash equivalents

In the 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.

2.6 Trade and farmer receivables

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

Buriram Sugar Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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2 Accounting policies (Cont'd)

2.7 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.

2.8 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 (if any).

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 statement of comprehensive income.

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.

2.9 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.

2 Accounting policies (Cont'd)

2.9 Property, plant and equipment (Cont'd)

Land is not depreciated. Depreciation on other assets are calculated using the straight-line method to allocate their costs to their residual values over their estimated useful life, as follows:

Land improvement	10 - 30 years
Building and building improvement	2 - 40 years
Machinery and tools	2 - 30 years
Agriculture equipment and tools	2 - 10 years
Furniture, fixtures and office equipment	3 - 20 years
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 gains (loss), net account in profit or loss.

2.10 Intangible assets

2.10.1 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.

2.10.2 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.

2.11 Impairment of assets

Assets that have an indefinite useful life (such as 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.

2.12 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.

Buriram Sugar Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2 Accounting policies (Cont'd)

2.13 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.

2.14 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 statement of comprehensive income over the period of the borrowings.

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

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

2.14.1 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 as expense in the period which they are incurred.

2 Accounting policies (Cont'd)

2.15 Current and deferred income tax

The income tax expense for the period comprises current and deferred tax. Income 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 income 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.

2.16 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.

Buriram Sugar Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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2 Accounting policies (Cont'd)

2.17 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.

2.18 Revenue recognition

Sale of goods and services rendered

Revenue comprises the original invoice amount 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 income 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.

2.19 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.

2.20 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 6).

3 Financial risk management

3.1 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.

3.1.1 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The Group has entered into foreign currency forward contracts to mitigate risk from exchange rate fluctuation.

3.1.2 Interest rate risk

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

3.1.3 Credit risk

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

3.1.4 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.

3.2 Pricing risk factors regarding raw materials and products

3.2.1 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.

As of 16 January 2018, there is a new regulation announcement according to the Cane and Sugar Industry management. (Please see further information in Note 34).

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3 Financial risk management (Cont'd)

3.3 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 statement of comprehensive income, 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 statement of comprehensive income.

3.4 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).

4 Critical accounting estimates, assumptions and judgements

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

4.1 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).

4.2 Property, plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's Property, plant and equipment and intangible assets. Management will revise the depreciation or amortisation charge where useful lives and residual values are different to 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.

4.3 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 22.

4 Critical accounting estimates, assumptions and judgements (Cont'd)

4.4 Raw material costs

The Group purchased sugar cane for the production season 2017/2018 using the initial sugar cane price which was announced by the Cane and Sugar Board's on 13 December 2017 adjusted by sweetness of sugar cane purchased to recognise raw materials and payables for the production season 2017/2018. As at the audit report date, the Cane and Sugar Board has not announced the final price of sugar cane for the production season 2017/2018 yet since the production season is not ended.

As of 16 January 2018, there is a new regulation announcement according to the Cane and Sugar Industry management. (Please see further information in Note 34).

5 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.

6 Operating segments

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

Chief Operating Decision Maker considers the reporting segment as below:

- Manufacturing and distribution of sugar and molasses
- Trading agricultural products
- 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 54.39% 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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6 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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue from sales and services										
- Local	1,728	1,538	740	628	815	529	238	150	3,521	2,845
- Overseas	3,122	2,283	-	-	-	-	-	-	3,122	2,283
Total	4,850	3,821	740	628	815	529	238	150	6,643	5,128
Profit from operating segments	788	420	99	83	230	154	43	16	1,160	673
Administrative and selling expenses									152	87
Finance costs									(449)	(441)
Share of profit from an associate									(284)	(177)
Income tax									32	-
Profit for the year									(89)	(29)
									525	113
As at 31 December										
Inventories, net	933	508	126	73	9	5	-	-	1,068	586
Property, plant and equipment, net	2,933	2,828	109	111	1,713	1,746	71	16	4,826	4,701
Other assets, net	2,032	1,843	622	588	5,025	424	5,390	4,278	13,069	7,133
Total assets	5,898	5,179	857	772	6,747	2,175	5,461	4,294	18,963	12,420
									(9,730)	(5,193)
									9,233	7,227

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7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash on hand	410,000	410,000	80,000	80,000
Deposits held at call with banks	228,658,711	84,936,019	18,113,199	4,411,384
	<u>229,068,711</u>	<u>85,346,019</u>	<u>18,193,199</u>	<u>4,491,384</u>

As at 31 December 2017, the weighted average effective interest rate of deposits held at call with banks was 0.38% per annum (2016: 0.38% per annum).

8 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<u>Trade receivables - third parties, net</u>				
Current	48,648,870	46,475,415	-	-
Overdue:				
Up to 3 months	2,027,649	1,394,207	-	-
Over 3 months less than 12 months	73,710	13,757,766	-	-
Over 12 months	19,738,447	10,222,565	8,250,423	8,250,423
	70,488,676	71,849,953	8,250,423	8,250,423
<u>Less</u> Allowance for doubtful accounts	<u>(19,738,455)</u>	<u>(23,146,976)</u>	<u>(8,250,423)</u>	<u>(8,250,423)</u>
	<u>50,750,221</u>	<u>48,702,977</u>	-	-
<u>Trade receivables - related parties</u>				
Current	27,099,100	12,111,434	-	-
Overdue:				
Up to 3 months	-	589,807	-	-
Over 3 months less than 12 months	-	32,808	-	-
	<u>27,099,100</u>	<u>12,734,049</u>	-	-
<u>Other receivables</u>				
Accrued income - third parties	52,293,627	36,126,351	-	-
Accrued income - related parties	659,402	3,456,974	-	-
Other receivables - third parties	9,718,235	1,791,159	48,030	179,698
Other receivables - related parties	-	-	54,771,588	6,333,872
Accrued interest income - related parties	-	-	27,112,336	25,785,329
Prepaid expenses	115,034,469	112,184,055	615,590	1,447,338
Accrued dividend income - related parties	-	-	230,507,419	-
	<u>177,705,733</u>	<u>153,558,539</u>	<u>313,054,963</u>	<u>33,746,237</u>
Total trade and other receivables, net	<u>255,555,054</u>	<u>214,995,565</u>	<u>313,054,963</u>	<u>33,746,237</u>

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9 Farmer receivables, net

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Farmer receivables	957,079,608	1,069,923,413	77,557,589	84,235,373
<u>Less</u> Allowance for doubtful accounts	(88,650,852)	(79,856,878)	(77,557,589)	(73,935,373)
	<u>868,428,756</u>	<u>990,066,535</u>	<u>-</u>	<u>10,300,000</u>

Outstanding farmer receivables can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Season 2018/2019	132,166,504	-	-	-
Season 2017/2018	650,331,390	330,475,436	-	-
Season 2016/2017	54,461,147	585,507,302	-	-
Season 2015/2016	21,059,584	39,866,684	-	-
Season 2014/2015	16,874,739	24,292,941	-	-
Season 2013/2014	2,744,812	3,330,282	-	-
Season 2012/2013	917,993	1,221,331	-	-
Season 2011/2012	965,850	994,064	-	-
Before season 2011/2012	77,557,589	84,235,373	77,557,589	84,235,373
	957,079,608	1,069,923,413	77,557,589	84,235,373
<u>Less</u> Allowance for doubtful accounts	(88,650,852)	(79,856,878)	(77,557,589)	(73,935,373)
	<u>868,428,756</u>	<u>990,066,535</u>	<u>-</u>	<u>10,300,000</u>

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Season 2018/2019	474,138	-	-	-
Season 2017/2018	727,902	109,815	-	-
Season 2016/2017	-	1,966,692	-	-
	<u>1,202,040</u>	<u>2,076,507</u>	<u>-</u>	<u>-</u>

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10 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Raw materials	32,673,276	22,560,685	-	-
Finished goods	901,766,586	471,554,404	-	-
Merchandise inventories	84,049,651	38,475,748	-	-
Work in process	8,197,714	8,832,622	-	-
Factory supplies	39,849,552	46,311,257	-	-
	<u>1,066,536,779</u>	<u>587,734,716</u>	<u>-</u>	<u>-</u>
<u>Less</u> Allowance for obsolete and damaged inventories				
- Raw materials	(732,420)	(823,450)	-	-
- Merchandise inventories	(1,351,181)	(1,445,260)	-	-
- Work in process	(3,325,016)	(3,480,569)	-	-
- Factory supplies	(355,924)	(355,924)	-	-
	<u>(5,764,541)</u>	<u>(6,105,203)</u>	<u>-</u>	<u>-</u>
	<u>1,060,772,238</u>	<u>581,629,513</u>	<u>-</u>	<u>-</u>

The cost of inventories for the year ended 31 December 2017 recognised as expenses and included in 'cost of sales' amount of Baht 4,120.39 million (2016: Baht 3,519.55 million).

11 Other current assets

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Revenue Department receivable	9,269,886	5,018,992	-	-
Refundable input VAT	-	32,798,062	4,007,324	7,772,496
Undued input VAT	7,442,547	5,515,473	16,648	40,679
Others	40,000	4,912,555	977,852	145,334
	<u>16,752,433</u>	<u>48,245,082</u>	<u>5,001,824</u>	<u>7,958,509</u>

12 Investments in an associate

The amounts recognised in the statements of financial position are as follows:

	Consolidated financial statements	Separate financial statements
	Equity method	Cost method
	2017 Baht	2017 Baht
An associate	1,227,127,544	1,194,706,818
As at 31 December	<u>1,227,127,544</u>	<u>1,194,706,818</u>

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12 Investments in an associate (Cont'd)

The amounts recognised in the statements of comprehensive income are as follows:

	Consolidated financial statements
	2017 Baht
An associate	32,420,725
As at 31 December	32,420,725

Nature of investment in an associate as at 31 December 2017:

Name of entity	Place of Business/ Country of incorporation	% of ownership interest (Direct)	Nature of the relationship	Measurement method
Buriram Sugar Group Power Plant Infrastructure Fund	Thailand	33.05	Associate	Equity method

There are no contingent liabilities relating to the Group's interest in the associate.

Summarised financial information for a material associate

Summarised statement of financial as at 31 December information:

	Buriram Sugar Group Power Plant Infrastructure Fund
	2017 Baht
Current Assets	
Cash and cash equivalents	7,849,283
Other current assets	118,406,239
Total current assets	126,255,522
Non-current Assets	3,586,000,000
Current liabilities	
Other current liabilities	2,884,181
Total current liabilities	2,884,181
Net assets	3,709,371,341

Summarised statement of comprehensive income for the year ended 31 December:

	Buriram Sugar Group Power Plant Infrastructure Fund
	2017 Baht
Interest income	114,410,069
Total revenue	114,410,069
Total expenses	(10,864,363)
Unrealised gain on investment valuation	825,635
Total comprehensive income	104,371,341

12 Investments in an associate (Cont'd)

Summarised financial information for a material associate (Cont'd)

The information above reflects the amounts presented in the financial statements of the associate (not the Group's share of those amounts) and adjusted for differences in accounting policies between the Group and the associate.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in an associate

	Buriram Sugar Group Power Plant Infrastructure Fund
	2017 Baht
Opening net assets	-
Acquisition	3,605,000,000
Total comprehensive income	104,371,341
Closing net assets	3,709,371,341
Interest in an associate (33.05%)	1,223,873,226
Difference on purchase price of investment units	3,254,318
Carrying value	1,227,127,544

The movements of Investments in an associate during the year ended 31 December, are as follows:

	Consolidated financial statements
	2017 Baht
Opening net book balance	-
Investment in an associate	1,194,706,819
Share of profit from an associate	32,420,725
Closing net book balance	1,227,127,544

Buriram Sugar Group Power Plant Infrastructure Fund

During the year ended 31 December 2017, Buriram Sugar Public Company Limited subscribed for totalling 115,672,228 units in Buriram Sugar Group Power Plant Infrastructure Fund ("The Fund") with a price range between Baht 10.30 - 10.70 per unit, totalling Baht 1,194,706,818.40 which is equivalent to 33.05% of the number of units in public issue.

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13 Investment in subsidiaries

The movements of investment in subsidiaries for the years ended 31 December are as follows:

	Separate financial statements	
	2017 Baht	2016 Baht
Beginning balance	1,445,476,600	1,280,477,600
Acquisitions	-	164,999,000
Ending balance	1,445,476,600	1,445,476,600

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	
	2017	2016	2017	2016	2017	2016	2017	2016
	Million Baht	Million Baht	Percentage	Percentage	Million Baht	Million Baht	Million Baht	Million Baht
Buriram Sugar Factory Co., Ltd.	1,050	1,050	99.90	99.90	1,049	1,049	189	-
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	31	-
Buriram Power Co., Ltd.	170	170	99.99	99.99	-	-	-	-
Buriram Power Plus Co., Ltd.	160	160	99.99	99.99	160	160	-	-
Chamni Sugar Factory Co., Ltd.	5	5	99.99	99.99	5	5	-	-
Key brand Fertilizer Co., Ltd.	15	15	99.99	99.99	15	15	10	-
Buriram Sugar Capital Co., Ltd.	10	10	99.99	99.99	10	10	-	-
Total investment in subsidiaries					1,445	1,445	230	-

14 Other long-term investments, net

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Marketable equity securities - available-for sales	585,784	566,720	585,784	566,720
Increased in fair value of investments	141,181	19,064	141,181	19,064
	726,965	585,784	726,965	585,784
General investments - equity securities	1,409,950	1,409,950	2,175	2,175
Other long-term investments, net	2,136,915	1,995,734	729,140	587,959

The movements of other long-term investments for the year ended 31 December 2017 are as follows:

	Consolidated financial statements		
	General investments Baht	Available-for-sale securities Baht	Total Baht
Opening net book amount	1,409,950	585,784	1,995,734
Increased in fair value of investment	-	141,181	141,181
Closing net book amount	1,409,950	726,965	2,136,915

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14 Other long-term investments, net (Cont'd)

The movements of other long-term investments for the year ended 31 December 2017 are as follows: (Cont'd)

	Separate financial statements	
	General investments Baht	Available-for-sale securities Baht
Opening net book amount	2,175	585,784
Increased in fair value of investment	-	141,181
Closing net book amount	2,175	726,965
		Total Baht
		587,959
		141,181
		729,140

The fair value of available-for-sales investment is based on quoted bid price at the close of business day by reference to the Stock Exchange of Thailand. This is a level 1 fair value measurement.

15 Long-term borrowings to farmers, net

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
- Current portion of long-term borrowings to farmers	224,921,212	175,765,724	-	-
- Long-term borrowings to farmers, net	308,242,107	203,031,477	-	-
	<u>533,163,319</u>	<u>378,797,201</u>	<u>-</u>	<u>-</u>

The movements of long-term borrowings to farmer are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance	378,797,201	206,598,380	-	-
Additions	282,400,440	268,348,233	-	-
Repayments received	(128,034,322)	(96,149,412)	-	-
Ending balance	<u>533,163,319</u>	<u>378,797,201</u>	<u>-</u>	<u>-</u>

As at 31 December 2017, interest rates for long-term borrowings to farmers were 7.02% per annum (2016: 7.02% - 7.15% per annum).

The movements of long-term borrowings to farmer - related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
- Current portion of long-term borrowing to farmers	490,385	999,860	-	-

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16 Property, plant and equipment, net

	Consolidated financial statements						
	Land and land improvement Baht	Building and building improvement Baht	Machinery and tools Baht	Tools and agriculture equipment Baht	Furniture, fixtures and office equipment Baht	Vehicles Baht	Assets under construction Baht
As at 1 January 2016							
Cost	153,045,203	848,602,372	2,325,607,950	67,971,654	109,416,472	115,963,679	1,162,353,383
Less: Accumulated depreciation	(2,631,105)	(77,119,033)	(329,854,399)	(23,387,436)	(31,751,549)	(53,627,887)	-
Net book amount	150,414,098	771,483,339	1,995,753,551	44,584,218	77,664,923	62,335,792	1,162,353,383
For the year ended 31 December 2016							
Opening net book amount	150,414,098	771,483,339	1,995,753,551	44,584,218	77,664,923	62,335,792	1,162,353,383
Additions	40,279,689	2,098,565	46,390,762	6,384,335	13,506,145	12,873,173	554,933,226
Transfer in (out)	48,342,462	219,007,846	1,331,533,154	14,845,761	15,276,331	-	(1,629,005,554)
Disposals, net	(1,175,717)	-	(969,674)	-	-	(4,700,615)	-
Write-off, net	-	-	-	(46,330)	(23,081)	(525,989)	-
Loss on impairment	-	-	(33,202,236)	-	-	-	(595,400)
Reclassification, net	(883,876)	(8,306,256)	61,313,616	(3,095,402)	(48,724,931)	-	(33,885,040)
Depreciation charges	(3,086,159)	(36,048,231)	(140,732,006)	(13,584,424)	(12,398,829)	(9,555,289)	-
Closing net book amount	233,890,497	948,235,263	3,260,087,167	49,088,158	45,300,558	60,427,072	87,598,251
As at 31 December 2016							
Cost	240,491,636	1,058,908,805	3,773,270,451	85,236,934	81,085,501	115,335,010	88,281,055
Less: Allowance for impairment	-	-	(33,202,236)	-	-	-	(682,804)
Accumulated depreciation	(6,601,139)	(110,673,542)	(479,981,048)	(36,148,776)	(35,784,943)	(54,907,938)	-
Net book amount	233,890,497	948,235,263	3,260,087,167	49,088,158	45,300,558	60,427,072	87,598,251
For the year ended 31 December 2017							
Opening net book amount	233,890,497	948,235,263	3,260,087,167	49,088,158	45,300,558	60,427,072	87,598,251
Additions	67,363,323	2,339,924	23,798,692	14,223,311	11,476,255	15,745,910	283,311,251
Transfer in (out)	2,167,023	59,498,240	183,262,125	1,548,960	3,485,586	-	(249,961,934)
Disposals, net	-	-	(2,198,793)	-	(1,057)	(1,430,537)	-
Write-off, net	-	(3,331,527)	(20,092,049)	(1,894,643)	(571,255)	-	(6,536,305)
Depreciation charges	(4,215,669)	(41,569,154)	(169,974,926)	(16,931,379)	(13,695,592)	(9,742,441)	-
Closing net book amount	299,205,174	965,172,746	3,274,882,216	46,034,407	45,994,495	65,000,004	114,411,263
As at 31 December 2017							
Cost	310,021,982	1,115,814,228	3,913,241,230	89,453,964	89,921,191	127,481,920	115,094,067
Less: Allowance for impairment	-	-	-	-	-	-	(682,804)
Accumulated depreciation	(10,816,808)	(150,641,482)	(638,359,014)	(43,419,557)	(43,926,696)	(62,481,916)	-
Net book amount	299,205,174	965,172,746	3,274,882,216	46,034,407	45,994,495	65,000,004	114,411,263
							4,810,700,305
							4,810,700,305

16 Property, plant and equipment, net (Cont'd)

As at 31 December 2017, hire-purchase liabilities included in assets at the net book value of Baht 48.93 million (2016: Baht 57.78 million).

As at 31 December 2017, the building and equipment are fully depreciated but still in use with costs value of Baht 51.93 million (2016: Baht 35.95 million).

As at 31 December 2017, property, plant, and equipment at the net book value of Baht 1,812.05 million are pledged as collaterals for long-term borrowings from financial institutions (2016: Baht 1,967.38 million) (Note 20).

As at 31 December 2017, Borrowing costs of Baht 3.44 million (2016: Baht 20.24 million) arising from financing were capitalised and are included in 'Additions' with capitalisation rate of 5.15% (2016: 5.78% - 5.90%).

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16 Property, plant and equipment, net (Cont'd)

	Separate financial statements				
	Building and building improvement	Furniture, fixtures and office equipment	Vehicles	Asset under construction	Total
	Baht	Baht	Baht	Baht	Baht
As at 1 January 2016					
Cost	14,737,764	2,525,978	28,110,913	-	45,374,655
Less: Accumulated depreciation	(8,090,185)	(1,049,333)	(24,670,286)	-	(33,809,804)
Net book amount	6,647,579	1,476,645	3,440,627	-	11,564,851
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	6,385,334	4,936,076	4,242,751	69,840	15,634,001
As at 31 December 2016					
Cost	14,737,764	6,000,671	24,534,077	69,840	45,342,352
Less: Accumulated depreciation	(8,352,430)	(1,064,595)	(20,291,326)	-	(29,708,351)
Net book amount	6,385,334	4,936,076	4,242,751	69,840	15,634,001
For the year ended 31 December 2017					
Opening net book amount	6,385,334	4,936,076	4,242,751	69,840	15,634,001
Additions	-	1,136,043	8,375,727	40,734	9,552,504
Transfer, in (out)	69,840	-	-	(69,840)	-
Disposals, net	-	(1,057)	-	-	(1,057)
Write-off, net	-	(5,274)	-	-	(5,274)
Depreciation charges	(269,053)	(712,492)	(1,043,787)	-	(2,025,332)
Closing net book amount	6,186,121	5,353,296	11,574,691	40,734	23,154,842
As at 31 December 2017					
Cost	14,807,604	7,105,788	32,909,804	40,734	54,863,930
Less: Accumulated depreciation	(8,621,483)	(1,752,492)	(21,335,113)	-	(31,709,088)
Net book amount	6,186,121	5,353,296	11,574,691	40,734	23,154,842

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16 Property, plant and equipment, net (Cont'd)

As at 31 December 2017, hire-purchase liabilities included in assets at the net book value of Baht 9.62 million (2016: Baht 1.48 million).

As at 31 December 2017, property and equipment are fully depreciated but still in use with costs value of Baht 15.67 million (2016: Baht 12.83 million).

Depreciation charge for the years ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Depreciation charge for property, plant and equipment				
- Cost of sales	231,492,881	192,647,937	-	-
- Administrative expenses	24,636,280	22,757,001	2,025,332	1,725,264
	<u>256,129,161</u>	<u>215,404,938</u>	<u>2,025,332</u>	<u>1,725,264</u>

17 Intangible asset, net

	Consolidated financial statements				
	Computer software Baht	Patent Baht	Right to use assets Baht	Assets under installation Baht	Total Baht
As at 1 January 2016					
Cost	6,935,790	-	12,567,324	-	19,503,114
<u>Less</u> Accumulated amortisation	<u>(1,826,857)</u>	<u>-</u>	<u>(461,376)</u>	<u>-</u>	<u>(2,288,233)</u>
Net book amount	<u>5,108,933</u>	<u>-</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	3,228,107	82,474	-	9,986,625	13,297,206
Reclassification, net	(303,151)	-	-	-	(303,151)
Amortisation charge	<u>(1,821,694)</u>	<u>(6,999)</u>	<u>(629,656)</u>	<u>-</u>	<u>(2,458,349)</u>
Closing net book amount	<u>6,212,195</u>	<u>75,475</u>	<u>11,476,292</u>	<u>9,986,625</u>	<u>27,750,587</u>
As at 31 December 2016					
Cost	10,500,491	82,474	12,567,324	9,986,625	33,136,914
<u>Less</u> Accumulated amortisation	<u>(4,288,296)</u>	<u>(6,999)</u>	<u>(1,091,032)</u>	<u>-</u>	<u>(5,386,327)</u>
Net book amount	<u>6,212,195</u>	<u>75,475</u>	<u>11,476,292</u>	<u>9,986,625</u>	<u>27,750,587</u>
For the year ended 31 December 2017					
Opening net book amount	6,212,195	75,475	11,476,292	9,986,625	27,750,587
Additions	1,140,881	-	-	309,311	1,450,192
Amortisation charge	<u>(2,333,148)</u>	<u>(8,241)</u>	<u>(627,936)</u>	<u>-</u>	<u>(2,969,325)</u>
Closing net book amount	<u>5,019,928</u>	<u>67,234</u>	<u>10,848,356</u>	<u>10,295,936</u>	<u>26,231,454</u>
As at 31 December 2017					
Cost	11,641,372	82,474	12,567,324	10,295,936	34,587,106
<u>Less</u> Accumulated amortisation	<u>(6,621,444)</u>	<u>(15,240)</u>	<u>(1,718,968)</u>	<u>-</u>	<u>(8,355,652)</u>
Net book amount	<u>5,019,928</u>	<u>67,234</u>	<u>10,848,356</u>	<u>10,295,936</u>	<u>26,231,454</u>

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17 Intangible asset, net (Cont'd)

	Separate financial statements		
	Computer software Baht	Assets under installation Baht	Total 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
For the year ended 31 December 2017			
Opening net book amount	504,433	9,986,625	10,491,058
Additions	726,900	309,311	1,036,211
Amortisation charge	(481,132)	-	(481,132)
Closing net book amount	750,201	10,295,936	11,046,137
As at 31 December 2017			
Cost	1,963,060	10,295,936	12,258,996
<u>Less</u> Accumulated amortisation	(1,212,859)	-	(1,212,859)
Net book amount	750,201	10,295,936	11,046,137

18 Deferred income taxes, net

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Deferred tax assets, net:				
Deferred tax assets to be recovered more than 12 months	194,465,359	195,366,705	20,040,795	10,671,441
	194,465,359	195,366,705	20,040,795	10,671,441
Deferred tax liabilities, net:				
Deferred tax liabilities to be settled more than 12 months	(32,049)	(3,813)	(32,049)	(3,813)
	(32,049)	(3,813)	(32,049)	(3,813)
Deferred income taxes, net	194,433,310	195,362,892	20,008,746	10,667,628

The gross movement in deferred income tax are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	195,362,892	201,943,621	10,667,628	11,115,609
Charged (credited) to profit or loss	(3,083,264)	(6,197,339)	8,565,417	(312,428)
Charged (credited) to other comprehensive income	2,153,682	(383,390)	775,701	(135,553)
At 31 December	194,433,310	195,362,892	20,008,746	10,667,628

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18 Deferred income taxes, net (Cont'd)

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

	Consolidated financial statements							
	Depreciation	Employee	Allowance	Allowance	Taxable	Deferred	Intangible	Total
	Baht	benefits	for doubtful	for decrease	losses	revenue	assets	Baht
		obligations	accounts	in inventory	carried	assets	assets	
		Baht	Baht	value	forward	Baht	Baht	Baht
Deferred tax assets, net								
At 1 January 2017	162,132,172	6,136,449	11,712,698	1,221,041	2,935,451	9,457	4,442,429	195,366,705
Charged (credited) to profit or loss	(1,992,367)	8,3041	9,965,164	(68,133)	(2,935,451)	-	(1,495,071)	(3,083,264)
Charged to other comprehensive income	-	2,181,918	-	-	-	-	-	2,181,918
At 31 December 2017	160,139,805	8,401,408	21,677,862	1,152,908	-	9,457	2,947,358	194,465,359
Deferred tax liabilities, net								
At 1 January 2016	175,891,385	6,335,930	9,560,191	351,136	3,403,586	479,257	5,937,500	201,958,985
Charged (credited) to profit or loss	(13,759,213)	180,096	2,152,507	869,905	(468,135)	(469,800)	(1,495,071)	(6,212,703)
Credited to other comprehensive income	-	(379,577)	-	-	-	-	-	(379,577)
At 31 December 2016	162,132,172	6,136,449	11,712,698	1,221,041	2,935,451	9,457	4,442,429	195,366,705

Deferred tax assets are recognised for taxable losses carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable.

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18 Deferred income taxes, net (Cont'd)

	Consolidated financial statements		
	Fair value revaluation of available-for-sale securities		
	Baht		
Deferred tax liabilities, net			
At 1 January 2017			3,813
Charged to other comprehensive income			28,236
At 31 December 2017			32,049
At 1 January 2016			15,364
Credited to profit or loss			(30,728)
Charged to other comprehensive income			19,177
At 31 December 2016			3,813
	Separate financial statements		
	Employee benefits obligations	Allowance for doubtful accounts	Total
	Baht	Baht	Baht
Deferred tax assets, net			
At 1 January 2017	2,138,935	8,532,506	10,671,441
Charged (credited) to profit or loss	(63,679)	8,629,096	8,565,417
Credited to other comprehensive income	803,937	-	803,937
At 31 December 2017	2,879,193	17,161,602	20,040,795
At 1 January 2016	2,223,165	8,907,808	11,130,973
Charged (credited) to profit or loss	47,510	(375,302)	(327,792)
Credited to other comprehensive income	(131,740)	-	(131,740)
At 31 December 2016	2,138,935	8,532,506	10,671,441

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18 Deferred income taxes, net (Cont'd)

	Separate financial statements
	Fair value revaluation of available-for-sale securities Baht
Deferred tax liabilities, net	
At 1 January 2017	3,813
Charged to other comprehensive income	28,236
At 31 December 2017	32,049
At 1 January 2016	15,364
Credited to profit or loss	(30,728)
Charged to other comprehensive income	19,177
At 31 December 2016	3,813

19 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade payables - third parties	331,795,937	190,360,481	-	-
Trade payables - related parties	-	479,703	-	-
Other payables - third parties	105,425,640	190,880,183	3,405,340	3,122,386
Other payables - related parties	310,282	8,030,865	244,406	2,457,709
Advance received for goods and services - third parties	148,201,218	186,672,219	-	-
Accrued interest - third parties	4,356,140	8,052,916	-	5,376,370
Accrued interest - related parties	49,356,937	-	39,803,985	-
Accrued expenses - third parties	72,606,499	12,443,873	1,252,220	796,082
Accrued expenses - related parties	4,069,288	5,434,332	-	-
	716,121,941	602,354,572	44,705,951	11,752,547

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20 Borrowings

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current				
Short-term borrowings from financial institutions	1,131,740,878	1,710,253,155	89,940,878	1,003,953,155
Short-term borrowing from other	4,564,000	-	748,000	-
Current portion of long-term borrowings:				
- Financial institutions	448,001,141	506,335,246	-	-
- An associate	172,589,789	-	-	-
- A Subsidiary	-	-	198,000,000	-
- Other	2,384,736	2,336,082	-	-
- Hire purchase liabilities	10,872,088	10,105,057	1,611,748	251,802
Debentures	-	850,000,000	-	850,000,000
Long-term borrowings from financial institutions	-	422,159,900	-	-
Total current borrowings	1,770,152,632	3,501,189,440	290,300,626	1,854,204,957
Non-current				
Long-term borrowings from financial institutions, net	797,799,091	951,188,467	-	-
Long-term borrowings from an associate, net	3,356,799,640	-	-	-
Long-term borrowings from a subsidiary, net	-	-	2,548,119,162	-
Long-term borrowing from other, net	7,467,823	9,852,559	-	-
Hire purchase liabilities, net	14,433,900	15,630,342	5,350,331	777,980
Total non-current borrowings	4,176,500,454	976,671,368	2,553,469,493	777,980
Total borrowings	5,946,653,086	4,477,860,808	2,843,770,119	1,854,982,937

As at 31 December 2017 and 2016, all borrowings are in Thai Baht currency.

As at 31 December 2017, long-term borrowings from financial institutions were secured by pledge of property, plant and equipment at net book value of Baht 1,812.05 million (2016: Baht 1,967.38 million) (Note 16).

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.

As at 31 December 2017, subsidiaries classified long-term borrowings from a financial institution, which fail to comply with debt to equity ratio and debt service coverage ratio as specified in the borrowing agreements, as non-current liabilities since the subsidiaries can comply with terms and conditions as specified in the borrowing agreements to maintain debt to equity ratio and debt service coverage ratio.

Short-term borrowings

As at 31 December 2017, short-term borrowings are bills of exchange and promissory notes with financial institutions at Baht 1,131.74 million in the consolidated financial statements and Baht 89.94 million in the separate financial statements. These promissory notes bear interest at the rates between 2.70% and 4.53% per annum (2016: Baht 1,710.25 million and Baht 1,003.95 million in the consolidated and separate financial statements, respectively, bear interest at the rates between 2.70% and 4.53% per annum).

As at 31 December 2017, short-term borrowings from other with no interest is from a Government Sector and guaranteed by the Company's director.

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20 Borrowings (Cont'd)

Long-term borrowings

Long-term borrowings from an associate

On 2 August 2017, Buriram Energy Co., Ltd. and Buriram Power Co., Ltd., which are subsidiaries, entered into the Net Revenue of Power Plant Business Transfer Agreement ("the Net Revenue Transfer Agreement") and the Undertaking Agreement with Buriram Sugar Group Power Plant Infrastructure Fund ("the Fund"), which cover the period from 2 August 2017 to 6 April 2035 and also transferred right in the net revenue to the Fund on the same date. These agreements will be terminated on 6 April 2035.

Under the condition of the Net Revenue Transfer Agreement, the repayment shall be made within 2 months starting from the month that revenue from power plant business is generated. When the agreement is terminated, any outstanding liabilities with the Fund will be written-off.

Long-term borrowing from subsidiaries

On 4 September 2017, the Company entered into additional borrowings agreement from the same subsidiary of Baht 140.00 million. The loan bears the same interest and repayment condition as the previous loan.

On 2 August 2017, the Company entered into borrowings agreement from a subsidiary of Baht 2,606.12 million. The loan bears interest at MLR minus a certain margin per annum, and repayment period is over 19 years. The first draw down is on the agreement date which will have the first payment period on 31 December 2017.

Long-term borrowing from other

As at 31 December 2017, long-term borrowing from other is borrowing agreement from Office of the Cane and Sugar Fund at Baht 9.85 million (2016: Baht 12.19 million). The loan bear interest at the rate 2% per annum (2016: 2% per annum) which the principal is repaid annually within 4 years.

Debentures

On 24 November 2017, the Company paid for the debentures with are redeemed in November, the redeemed amount was as the par value including interest totalling Baht 609.30 million.

On 9 October 2017, the Company paid for the debentures which are redeemed in October. The redeemed amount was as the par value including interest totalling Baht 255.80 million.

The movements of long-term borrowings and debentures (excluded hire-purchase liabilities) for the years ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance	2,741,872,254	2,544,491,156	850,000,000	850,000,000
Additions	3,828,747,642	502,238,640	2,746,119,162	-
Repayments	(1,785,577,676)	(304,857,542)	(850,000,000)	-
Closing balance	<u>4,785,042,220</u>	<u>2,741,872,254</u>	<u>2,746,119,162</u>	<u>850,000,000</u>

20 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	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Long-term borrowings and debentures				
- At fixed rates	275,260,109	1,262,188,640	2,746,119,162	850,000,000
- At floating rates	4,509,782,111	1,479,683,614	-	-
Total	4,785,042,220	2,741,872,254	2,746,119,162	850,000,000

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

	Consolidated financial statements		Separate financial statements	
	2017 %	2016 %	2017 %	2016 %
Short-term borrowings from financial institutions	3.27	3.18	2.95	3.18
Long-term borrowings from financial institutions	4.75	5.02	-	-
Long-term borrowings from a subsidiary	-	-	6.55	-
Long-term borrowing from other	2.00	2.00	-	-
Debentures	-	4.69	-	4.69

Maturity of long-term borrowings and debentures (excluded hire-purchase liabilities) are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Within 1 year	622,975,666	1,780,831,228	198,000,000	850,000,000
Later than 1 year but not later than 5 years	1,687,705,744	932,095,890	712,000,000	-
Later than 5 years	2,474,360,810	28,945,136	1,836,119,162	-
	4,785,042,220	2,741,872,254	2,746,119,162	850,000,000

Credit facilities

As at 31 December 2017, the Group had financial credit limit of long-term borrowings from local financial institutions totaling Baht 1,860.20 million with money market interest rate, which have not been drawn down amounting to Baht 613.14 million.

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20 Borrowings (Cont'd)

Hire-purchase liabilities, net

The minimum lease payments of hire-purchase liabilities as at 31 December are as follows:

	Consolidated financial statements			Separate financial statements		
	2017			2017		
	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	12,064,738	15,411,632	27,476,370	2,005,476	5,897,677	7,903,153
<u>Less</u> Deferred interest on hire-purchases	(1,192,650)	(977,732)	(2,170,382)	(393,728)	(547,346)	(941,074)
	<u>10,872,088</u>	<u>14,433,900</u>	<u>25,305,988</u>	<u>1,611,748</u>	<u>5,350,331</u>	<u>6,962,079</u>

	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	16,560,341	27,875,049	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>15,630,342</u>	<u>25,735,399</u>	<u>251,802</u>	<u>777,980</u>	<u>1,029,782</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.

21 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
VAT payable	8,157,202	-	-	-
Undued output VAT	6,951,600	3,653,597	3,583,188	2,663,436
Withholding tax payables	7,412,518	10,543,173	2,846,358	5,677,004
Others	2,009,470	1,553,470	-	-
	<u>24,530,790</u>	<u>15,750,240</u>	<u>6,429,546</u>	<u>8,340,440</u>

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22 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Statements of financial position				
Current portion				
Current portion of employee benefit obligations	7,721,815	9,343,087	2,399,177	3,423,149
Non-current portion				
Employee benefit obligations, net	34,285,227	23,237,045	11,996,787	7,930,227
	<u>42,007,042</u>	<u>32,580,132</u>	<u>14,395,964</u>	<u>11,353,376</u>
Statements of comprehensive income				
Employee benefit expenses	3,795,319	4,086,703	1,302,744	1,351,782
Statements of other comprehensive income				
Actuarial (gain) loss	10,909,588	(1,897,886)	4,019,683	(658,706)

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Beginning balance	32,580,132	32,793,290	11,353,376	11,969,450
Current service costs	2,572,024	2,640,985	877,123	829,582
Interest costs	1,223,295	1,445,718	425,621	522,200
Benefits paid during the year	(5,277,997)	(2,401,975)	(2,279,839)	(1,309,150)
Actuarial (gain) loss	10,909,588	(1,897,886)	4,019,683	(658,706)
Ending balance	<u>42,007,042</u>	<u>32,580,132</u>	<u>14,395,964</u>	<u>11,353,376</u>

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2017 %	2016 %	2017 %	2016 %
Discount rate	3.08%	3.48%	3.08%	3.48%
Future salary increases	4.43%	3.47%	4.43%	3.47%
Resignation rate by span of age	0% - 12%	0% - 14%	0% - 12%	0% - 14%

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22 Employee benefit obligations (Cont'd)

Consolidated financial statements						
Impact on defined benefit obligation						
	Change in assumption		Increase in assumption		Decrease in assumption	
	2017	2016	2017	2016	2017	2016
Discount rate	0.5%	0.5%	Decrease by 4.4%	Decrease by 4.0%	Increase by 4.7%	Increase by 4.0%
Salary growth rate	0.5%	0.5%	Increase by 4.6%	Increase by 4.0%	Decrease by 4.3%	Decrease by 3.8%
Turnover rate	0.5%	0.5%	Decrease by 4.6%	Decrease by 4.0%	Increase by 4.9%	Increase by 4.3%
Separate financial statements						
Impact on defined benefit obligation						
	Change in assumption		Increase in assumption		Decrease in assumption	
	2017	2016	2017	2016	2017	2016
Discount rate	0.5%	0.5%	Decrease by 4.3%	Decrease by 4.1%	Increase by 4.6%	Increase by 4.4%
Salary growth rate	0.5%	0.5%	Increase by 4.5%	Increase by 4.1%	Decrease by 4.3%	Decrease by 3.8%
Turnover rate	0.5%	0.5%	Decrease by 4.5%	Decrease by 3.8%	Increase by 4.8%	Increase by 4.1%

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 17 years. (2016: 15 years).

The Group use the cash flows from operating activities to pay the retirement benefits.

Expected maturity analysis of retirement 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 - 2017	8.53	7.58	52.53	68.64
Retirement benefits - 2016	10.19	5.40	39.21	54.80
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 - 2017	2.53	2.76	18.52	23.81
Retirement benefits - 2016	3.66	1.09	15.31	20.06

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23 Share capital

	Authorised share capital	Issued and paid-up		
	Number of ordinary shares	Number of ordinary shares	Ordinary share Baht	Premium on share capital Baht
As at 31 December 2017	676,750,000	676,750,000	676,750,000	954,665,813
Issued of shares from stock dividends	135,349,845	135,349,845	135,349,845	-
As at 31 December 2017	812,099,845	812,099,845	812,099,845	954,665,813

As at 31 December 2017, the total authorised ordinary shares is 812,099,845 shares (31 December 2016: 676,750,000 shares) with a par value of Baht 1 per share (31 December 2016: par value of Baht 1 per share). The issued and fully paid-up ordinary shares is 812,099,845 shares. The Company reported the number of 135,349,845 ordinary shares actually allocated to the stock dividend to The Stock Exchange of Thailand on 25 May 2017.

At the Annual General Meeting of Shareholders for 2017 held on 24 April 2017, shareholders passed a resolution to approve increase registered capital from Baht 676,750,000 to Baht 812,100,000 by issuing an additional 135,350,000 ordinary shares with a par value of Baht 1 per share totalling Baht 135,350,000 to support a stock dividend payment.

24 Dividends paid

At the Board of Directors' Meeting No.7/2017 held on 10 August 2017, the directors approved to pay interim dividends as results of operations for the period from 1 January 2017 to 30 June 2017 at Baht 0.15 per share for 812,099,845 ordinary shares, totalling Baht 121,814,901.75. The dividends were paid on 8 September 2017.

At the Annual General Meeting of Shareholders for 2017 held on 24 April 2017, shareholders passed a resolution to approve pay dividends for the annual operation of 2016 by cash and stock dividend at Baht 0.2222222222 per share. The details of dividend payment are as follows:

- Cash dividend at Baht 0.0222222222 per share totalling Baht 15,038,889 and,
- 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 with a par value of Baht 1 per share. In case that any shareholders holds the indivisible share remaining after such allocation, the dividend will be paid by cash in the amount of Baht 0.20 per share.

The dividends were paid to the shareholders on 24 May 2017. The details of actual dividend payment are as follows:

- Cash dividend totalling Baht 15,038,930
- Stock dividend totalling 135,349,845 ordinary shares issuance with a par value of Baht 1 per share.

At the Annual General Meeting of Shareholders for 2016 held on 21 April 2016, the shareholders approved to pay dividends for the annual operation of 2015 at Baht 0.22 per share for 676,750,000 ordinary shares, totalling Baht 148,885,000 Baht. The dividends were paid to the shareholders on 17 May 2016.

25 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	39,680,867	25,669,147	39,680,867	25,669,147
Appropriation during the year	12,079,525	14,011,720	12,079,525	14,011,720
At 31 December	51,760,392	39,680,867	51,760,392	39,680,867

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.

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26 Other income

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Interest income	100,750,755	47,224,855	165,197,408	179,199,606
Dividend income	153,510	153,510	230,507,419	-
Other services income	-	-	112,300,000	79,000,000
Reversal of allowance for doubtful accounts	3,587,440	353,630	178,920	353,630
Compensate income for breach of sugar sale agreement	649,872	1,635,219	-	-
Compensate income for insurance claim	34,900,043	35,029,985	-	-
Others	11,678,864	10,827,990	778,054	645,426
	<u>151,720,484</u>	<u>95,225,189</u>	<u>508,961,801</u>	<u>259,198,662</u>

27 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	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Raw materials and supplies used	3,315,467,479	2,749,293,645	1,952,597	1,942,733
Depreciation and amortisation	259,098,486	217,863,287	2,506,464	1,813,345
Repair and maintenance expense	211,510,954	181,434,150	759,640	694,087
Transportation expenses	170,647,492	141,412,240	-	-
Staff costs	424,759,768	383,000,227	104,582,763	95,372,021
Fees paid to the Office of the Cane and Sugar Fund	365,411,842	363,015,778	364,800	385,900
Loss on impairment of assets	-	33,885,040	-	-

28 Income tax

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current tax:				
Current tax on profits for the year	(82,951,614)	(23,090,126)	(2,399,247)	(10,994,921)
Total current tax	<u>(82,951,614)</u>	<u>(23,090,126)</u>	<u>(2,399,247)</u>	<u>(10,994,921)</u>
Deferred tax:				
Origination and reversal of temporary differences	(3,083,264)	(6,197,339)	8,537,181	(312,428)
Total deferred tax	<u>(3,083,264)</u>	<u>(6,197,339)</u>	<u>8,537,181</u>	<u>(312,428)</u>
Income tax	<u>(86,034,878)</u>	<u>(29,287,465)</u>	<u>6,137,934</u>	<u>(11,307,349)</u>

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28 Income tax (Cont'd)

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	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Profit before income tax	611,448,628	142,608,352	235,453,575	53,731,966
Tax calculated at a tax rate of 20% (2016: 20%)	(122,289,726)	(28,521,671)	(47,090,715)	(10,746,393)
Tax effect of:				
Income not subject to tax	73,331,105	78,120,200	63,690,377	937,368
Expenses not deductible for tax purpose	(37,076,257)	(78,885,994)	(10,461,728)	(1,498,324)
Total income tax	(86,034,878)	(29,287,465)	6,137,934	(11,307,349)

29 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	
	2017	2016	2017	2016
Share of profit for the year attributable to shareholders of the parent company (Baht)	524,725,886	113,082,955	241,591,509	42,424,617
Weighted average of issued ordinary shares during the year (Shares)	812,099,845	812,099,845	812,099,845	812,099,845
Basic earnings per share (Baht per share)	0.65	0.14	0.30	0.05

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

30 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 2017, the Company is controlled by Buriram Capital Co., Ltd., which owns 50% of the Company's issued shares (2016: 50%).

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30 Related party transactions (Cont'd)

The following material transactions were carried out with related parties:

a) Business transactions with related parties

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Related parties: Associate				
Interest expense	116,372,829	-	-	-
Related parties: Subsidiaries				
Dividend income	-	-	230,507,419	-
Interest income	-	-	164,717,922	178,615,304
Other income	-	-	112,343,780	116,543,780
Administrative expenses	-	-	2,216,418	2,284,327
Other related parties				
Revenues from sales and services	3,125,069,962	2,282,717,363	-	-
Other income	2,719,050	240,000	90,616	-
Cost of sales and services	3,695,560	3,635,692	-	-
Selling expenses	102,802,929	10,611,572	-	-
Administrative expenses	-	120,370	-	-

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade accounts receivables - related parties				
Other related parties	27,099,100	12,734,049	-	-
Other receivables - related parties				
Subsidiaries	-	-	81,883,924	32,119,201
Other related parties	659,402	3,456,974	-	-
	<u>659,402</u>	<u>3,456,974</u>	<u>81,883,924</u>	<u>32,119,201</u>
Farmer receivables - related parties				
Other related parties	1,202,040	2,076,507	-	-
Accrued dividend - related parties				
Subsidiaries	-	-	230,507,419	-
Trade accounts payables - related parties				
Other related parties	-	479,703	-	-

31 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 (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Other payables - related parties				
Subsidiaries	-	-	40,042,403	4,624,234
Associate	49,356,937	-	-	-
Other related parties	4,379,570	13,465,197	5,988	103,242
	<u>53,736,507</u>	<u>13,465,197</u>	<u>40,048,391</u>	<u>4,727,476</u>

c) Long-term borrowings to subsidiaries

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
- Current portion of long-term borrowings	-	-	120,000,000	95,000,000
- Long-term borrowings, net	-	-	2,259,654,765	2,652,863,752
	<u>-</u>	<u>-</u>	<u>2,379,654,765</u>	<u>2,747,863,752</u>

As at 31 December 2017, interest rates for long-term borrowings to related parties were between 5.78% and 6.55% per annum (2016: 5.78% and 5.90% per annum).

d) Long-term borrowings to farmers

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
- Current portion of long-term borrowings to farmers	490,395	999,860	-	-

As at 31 December 2017, interest rates for borrowings to farmers were 7.02% per annum (2016: 7.02% - 7.15% per annum).

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30 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

e) Long-term borrowings from an associate

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current portion of long-term borrowings	172,589,789	-	-	-
Long-term borrowings, net	3,356,799,640	-	-	-
	<u>3,529,389,429</u>	<u>-</u>	<u>-</u>	<u>-</u>

f) Long-term borrowings from subsidiaries

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current portion of long-term borrowings	-	-	198,000,000	-
Long-term borrowings, net	-	-	2,548,119,162	-
	<u>-</u>	<u>-</u>	<u>2,746,119,162</u>	<u>-</u>

g) Directors' and management's remuneration

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Short-term benefits	50,377,803	48,437,080	23,955,968	22,272,080
Post-retirement benefits	718,091	771,740	332,423	325,750
	<u>51,095,894</u>	<u>49,208,820</u>	<u>24,288,391</u>	<u>22,597,830</u>

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

h) Foreign currency forward contracts

As at 31 December 2017, a subsidiary has entered into foreign currency forward contracts through the Thai Sugar Trading Corporation Ltd. which is a related party, contract value amounting to USD 1.60 million (2016: USD 20.40 million).

31 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	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Debentures	-	850,000,000	-	853,393,097

As at 31 December 2016 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.

32 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.

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33 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	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Property, plant and equipment	73,763,165	19,123,833	-	-
Intangible assets	1,892,515	2,614,760	1,892,515	2,614,760
	75,655,680	21,738,593	1,892,515	2,614,760

(b) Operating commitments

The non-cancellable services agreements with external parties. The future minimum payments are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Within 1 year	21,388,720	-	4,072,560	-
Later than 1 year but not later than 5 years	66,210,767	-	2,361,600	-
Later than 5 years	11,474,167	-	-	-
	99,073,654	-	6,434,160	-

(c) Commitments as related with sales agreements

As at 31 December 2017, a subsidiary had commitments relating to the sales agreements, but not yet delivered quality unit of metric ton 181,981 (2016: metric ton 63,944) with price range between at rate of Baht 12,388 and Baht 19,388 per metric ton (2016: Baht 15,862 - Baht 20,911 per metric ton) and still has no pricing for quality unit of metric ton 156,500 (2016: metric ton 61,630) which the price will be referred on raw sugar price of New York Market No. 11 or white sugar price of London Market No. 5 in the period in which it was delivered.

(d) Commitments under Electricity sale/purchase agreements

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.

(e) Bank guarantees

As at 31 December 2017, subsidiaries had outstanding letters of guarantee of Baht 6.20 million issued by local financial institutions as collaterals of Provincial Electricity Authority for electrical usage (2016: Baht 4.60 million).

34 Event after the reporting period

A registration of subsidiary

On 16 January 2018, Sugarcane Ecoware Company Limited is registered with the Ministry of Commerce. Authorised share capital is Baht 5,000,000 and divided into 50,000 share at a par value of Baht 100 per share. Buriram Sugar Public Company Limited held 99.99% ownership of the Company's issued shares.

New regulation enforcement according to the sugarcane and sugar management program

As at 16 January 2018, the Office of the Cane and Sugar Board enacted the new regulation, which was effective at the cabinet resolution on 4 December 2017 approval on the regulation according to the sugarcane and sugar management. The key substances are to revoke domestic sugar price control and quota system in the country, which can be summarised as follows:

1. Revoke domestic sugar price control to allow the liberalisation of sugar distribution by sugar mills. Without sugar price control, the price is still monitored by the Ministry of Commerce in order to protect consumers in the country to receive fair price according to the usual market force.
2. Revoke the quota system: quota A, B, and C to liberalise both domestic and overseas sugar distribution. However, the transportation of sugar must be informed to obtain the permission and issue the transportation form. The purpose is to keep records of the distribution volume to calculate total revenue of the system.
3. Revoke quota B, which each sugar mill delivery to Thailand Cane and Sugar Corporation ("TCSC") for distribution. However, sugar mills are required to allocate sugar volume to Thailand Cane and Sugar Corporation ("TCSC") fairly and directly make contract with Thailand Cane and Sugar Corporation ("TCSC").
4. Mandate a buffer stock requirement for sugar mills, which is calculated from the average domestic consumption to prevent domestic sugar shortage. In such case, sugar mills need to release the reserved stock immediately for the distribution and replenish the buffer stock within 1 month after the buffer stock is used.
5. Calculate sugarcane price and earnings based on the existing principle, but obtain the selling price observed by the Board from London sugar price no.5 plus Thai sugar premium rate in calculating domestic sugar price.
6. Calculate the margin for the domestic sugarcane distribution from the actual average selling price in a month and London sugar price no.5 plus Thai sugar premium rate. Each month, sugar mills are required to submit the margin to the Office of the Cane and Sugar Board to further calculate the total revenue of the system.

Dividends

At the Company's Board of Directors' meeting No. 1/2561 held on 26 February 2018, it approved a dividend payment for the operating result of 2017 for 812,099,845 ordinary shares at Baht 0.30 per share, totaling amounting to Baht 243,629,953.50. However, the approval for the dividend payment shall be proposed to the Annual Shareholders' Meeting for the year 2018 for further consideration and approval. The dividends will be paid on 24 May 2018.

14. Management Discussion and Analysis

14.1 Overview of the Operating Performance

According to the year of 2017, 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 sugarcanes 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. Besides, the drought in the previous crop year happened first time in the several years had the terrible impact on the sugar price to be increased accordingly.

The total revenue of the Company in 2015, 2016 and 2017 were equivalent to 4,295.85 Million Baht, 4,685.53 Million Baht and 5,895.76 Million Baht respectively which has steadily increased year over year because the Company has increasingly produced and distributed molasses, fertilizers and electricity.

Nevertheless, approximately 72 - 80% 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 3,037.72 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 in 2014, and 226,000 tons, 232,000 tons and 250,000 tons in 2015, 2016 and 2017 respectively. However, the changes of average raw sugar prices affect to the revenue more than sale volume. According to the business operation of by-products, 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 by-products 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 business group in 2015, 2016 and 2017 were equivalent to 272.34 Million Baht, 113.32 Million Baht, and 525.41 Million Baht respectively. In 2015, 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. In 2017, the net profit was increased due to the increased production and sales of sugar, molasses, and other by-products, and the global sugar price was raised.

The total assets of year ended on December 31, 2015, 2016 and 2017 were equivalent to 6,764.47 Million Baht, 7,226.85 Million Baht and 9,232.74 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 receivables of year ended on December 31, 2015 and 2016 decreased to 227.94 Million Baht and 214.99 Million Baht respectively, compared to account receivables 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 31, 2015, 2016 and 2017 were equivalent to 4,638.30 Million Baht, 5,134.08 Million Baht and 6,760.20 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 31, 2015, 2016 and 2017 were equivalent to 2,126.17 Million Baht, 2,092.77 Million Baht and 2,472.54 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 stock dividend payment in 2017.

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.

14.2 The Analysis of Operating Results

A. Revenue

	Audited Financial Statement of Year Ended					
	31 Dec 2015		31 Dec 2016		31 Dec 2017	
	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	966.06	22.49	1,162.02	24.80	1,144.94	19.42
Total Revenue from Domestic Sales	966.06	22.49	1,162.02	24.80	1,144.94	19.42
Export Sales						
Brown Sugar	-	-	53.29	1.14	6.67	0.11
Raw Sugar	2,094.33	48.75	2,230.29	47.60	3,114.99	52.83
Total Revenue from Export Sales	2,094.33	48.75	2,283.58	48.74	3,121.66	52.95
Total Revenue from Sugar Sales	3,072.30	71.51	3,445.60	73.54	4,266.60	72.37
1.1.2 Molasses						
Domestic Sales	369.99	8.61	283.60	6.05	437.44	7.42
Total Revenue from Molasses Sales	369.99	8.61	283.60	6.05	437.44	7.42
Total Revenue from Sugar and Molasses Sales	3,430.39	79.85	3,729.19	79.59	4,704.04	79.79
1.2.1 Revenue from Electricity Sales	279.00	6.49	383.81	8.19	492.14	8.35
1.2.2 Revenue from Fertilizer Sales	378.30	8.81	328.83	7.02	335.51	5.69
1.2.3 Revenue from Other Goods Sold and Services Rendered	138.96	3.23	137.38	2.93	208.75	3.54
Total Revenue from Other Related Businesses	796.26	18.53	850.02	18.14	1,036.40	17.58
Total Revenue from Goods Sold and Services Rendered	4,226.65	98.39	4,579.21	97.73	5,740.44	97.37
2. Other Revenues	63.08	1.47	95.22	2.03	151.72	2.57
3. Profit/Loss from Exchange Rate	6.12	0.14	11.09	0.24	3.59	0.06
Net Total Revenues	4,295.85	100.00	4,685.52	100.00	5,895.76	100.00

The Revenue from Sugar Sales and Service

According to the fiscal year ended from 31 December 2015 to 31 December, 2017, the Company generated the revenue from sugar sales and service in amount of 4,226.65 Million Baht, 4,579.21 Million Baht and 5,740.44 Million Baht respectively. Additionally, the revenue from sugar sales and service in 2016 and 2017 were increased, raised by 352.56 Million Baht or equivalent to 8.34% and 1,161.23 Million Baht

or equivalent to 25.36% 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 2015	31 Dec 2016	31 Dec 2017
Average price per ton	Baht per Ton	Baht per Ton	Baht per Ton
Brown Sugar for Domestic Sales	18,890	19,084	19,143
Brown Sugar for Export	-	14,737	19,057
Raw Sugar for Export	12,600	13,951	16,727
Molasses	4,113	3,898	4,464
Sale Quantity	Kilotons	Kilotons	Kilotons
Brown Sugar for Domestic Sales	50.92	60.82	59.81
Brown Sugar for Export	-	3.62	0.35
Raw Sugar for Export	167.50	171.10	186.23
Molasses	87.06	72.75	98.00

1.1.1 The Revenue from Sugar Sales

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.

Furthermore, according to the year ended on 31 December 2017, the Company generated the revenue from sugar sales in amount of 4,266.60 Million Baht, compared to the year ended on 31 December 2016, which was raised by 821.00 Million Baht or equivalent to 23.84% . 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 2016.

1.1.2 The Revenue from Molasses Sales

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.

According to the year ended on 31 December 2017, the Company generated the revenue from molasses sales in amount of 437.44 Million Baht, compared to the year ended on 31 December 2016, which was raised by 153.84 Million Baht or equivalent to 54.25% . The increase of molasses sales revenue was derived from the increased sugar production and the selling price per unit was raised by 566 Baht per ton.

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 2016, 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.

According to the year ended on 31 December 2017, the Company generated the revenue from electricity sales in amount of 492.14 Million Baht, compared to the year ended on 31 December 2016, which was raised by 108.33 Million Baht or equivalent to 28.22 % . The increase of electricity sales revenue was derived from the increased electricity generation, and in 2017 the amount of electricity sold was 109 Million Kilowatts, which was raised by 15 Million Kilowatts.

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 2015, 2016 and 2017, the Company generated the revenue from fertilizer sales in amount of 378.30 Million Baht, 328.83 Million Baht and 335.51 Million Baht respectively. In the period of 2016, the revenue from fertilizer sales decreased which was derived from the increase of organic fertilizers production volume that generated lower returns than chemical fertilizers. In 2017, the revenue from fertilizer sales

increased which was derived from the increased chemical fertilizers volume that generated higher returns than organic fertilizers.

1.2.3 The Revenue from Other Sales and Services

The revenue from other sales and services mainly consists of by-product sales from sugarcane planting such as bagasse and agricultural equipment needed such as diesel fuel for agricultural machines, pesticides including cutting sugarcane service fee and so on.

1.3 Other Revenues

The other revenues of the Company for year ended on December 31, 2015, 2016 and 2017 were equivalent to 63.08 Million Baht, 95.22 Million Baht and 151.72 Million Baht respectively. The other revenues of the Company were mainly from profits on disposal of assets, bad debt recovery, interest received, and so on. According to year ended on 2016, other revenues were raised by 31.97 Million Baht which was derived from the compensation from an insurance company. In 2017, other revenues were raised by 56.50 Million Baht due to the interest received from sugarcane advance payment loans in amount of 53 Million Baht.

B. Cost of Goods Sold and Services Rendered

1. The Business of Sugar and Molasses Manufacture and Distribution

	Audited Financial Statement of Year Ended					
	31 Dec 2015		31 Dec 2016		31 Dec 2017	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Raw Material (Sugarcanes)	1,913.92	71.89	2,271.82	72.43	2,684.30	73.98
Packaging Cost	43.91	1.65	36.67	1.16	44.41	1.22
Direct Labor Cost	139.92	5.25	130.56	4.16	142.51	3.93
Manufacturing Overhead	270.74	10.17	349.99	11.15	409.96	11.30
Cash Remittance to Office of Cane and Sugar Fund	293.96	11.04	347.99	11.10	347.02	9.57
Total sugar and molasses production cost	2,662.05	100.00	3,137.03	100.00	3,628.20	100.00

According to the fiscal year of 2015, 2016 and 2017, the raw materials cost was equivalent to 71.89%, 72.43% and 73.98% respectively. However, the raw materials cost had rarely changed since the sugar price had slightly adjusted; therefore, the materials 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 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, and organic fertilizers produced by the company itself. 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 such as 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 2015		31 Dec 2016		31 Dec 2017	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Cost of Electricity Sales						
Raw material	91.70	47.03	132.73	52.34	162.83	47.34
Direct Labor Cost	26.19	13.43	22.34	8.82	27.30	7.94
Manufacturing Overhead	77.10	39.54	98.48	38.84	153.81	44.72
Total Cost of Electricity Sales	194.99	100.00	253.55	100.00	343.94	100.00
Cost of Fertilizer Sales						
Raw material	229.85	68.78	214.45	73.18	224.07	85.82
Direct Labor Cost	13.25	3.96	11.45	3.91	10.92	4.18
Manufacturing Overhead	35.13	10.51	31.45	10.83	26.09	10.00
Trading Goods	55.90	16.72	35.39	12.08	-	-
Other Costs	-	-	-	-	-	-
Total Cost of Fertilizer Sales	334.19	100.00	293.04	100.00	261.08	100.00
Other Costs						
Trading goods	97.33	74.63	129.51	95.91	186.32	95.54
Other Costs	33.08	25.37	5.51	4.09	8.68	4.46
Total Others Costs	130.41	100.00	135.02	100.00	195.00	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 the price increase of sugarcane cost which is the main raw material.

The gross profit in year ended of 2017 was equivalent to 1,312.22 Million Baht or 22.85% of gross profit margin which was increased since the global sugar market price was raised at the first half of the year 2017.

Gross Profit Margin Classified by the Revenue of Each Business

(Unit: Percentage)

	Audited Financial Statement of Year Ended		
	31 Dec 2015	31 Dec 2016	31 Dec 2017
Sugar and Molasses Manufacture and Distribution	15.87	15.82	22.87
Electricity Production and Distribution	30.06	33.94	30.11
Fertilizer Production and Distribution	11.66	10.88	22.18
Other Sales and Services	6.15	3.37	6.58

1. The Business of Sugar and Molasses Manufacture and Distribution

Gross profit margin on the business of sugar and molasses manufacture and distribution 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 cost will be increased as well. On the other hand, if the sugar price is decreased, the sugarcane cost 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 milling 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 2016 and 2017 is equivalent to 15.82% and 22.85% respectively which was increased by 44.43%. It was derived from the export sugar sale volumes of the Company was equivalent to 70-80% of the total sugar sales volumes. Meanwhile, the global sugar market price in 2017 was increased which affected to the increase of average sale price of the Company and also affected to the increase of gross profit as well.

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 sugarcane 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 by-products business, for example, the efficient increase of electricity production.

D. Selling Expenses

	Audited Financial Statement of Year Ended					
	31 Dec 2015		31 Dec 2016		31 Dec 2017	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Logistics Transportation	45.34	25.80	77.12	45.19	104.61	54.01
Export	102.33	58.23	61.33	35.94	62.17	32.10
Cargo Storage	13.17	7.50	16.23	9.51	9.67	4.99
Other Expenses	14.89	8.47	15.95	9.34	17.22	8.89
Total	175.73	100.00	170.63	100.00	193.67	100.00

The selling expenses are mainly from logistics and export. The factor affecting to logistics transportation expense is transportation rate per trip, and sugar sale volume each year. According to year ended of 2017, the export expense was raised in line with the increase of sugar export volume.

E. Administrative Expenses

	Audited Financial Statement of Year Ended					
	31 Dec. 2015		31 Dec. 2016		31 Dec. 2017	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Employee Compensation	159.40	45.94	162.81	43.19	184.22	44.82
Professional and Consultancy Fee	31.64	9.12	27.23	7.22	34.01	8.27
Transportation	18.59	5.36	15.29	4.06	22.79	5.54
Maintenance	7.62	2.20	6.40	1.70	5.21	1.27
Supplies Expense	8.01	2.31	12.25	3.25	8.55	2.08
Asset Depreciation	22.68	6.54	23.96	6.35	26.33	6.41
R&D	12.04	3.47	2.39	0.67	2.10	0.51
Charity Expense	7.94	2.29	6.31	1.67	6.74	16.40
Allowance for Doubtful Accounts	2.62	0.76	14.02	3.72	8.93	2.17
Allowance for Impairment Losses	0.00	0.00	42.66	11.32	17.38	4.23
Pension Fund	3.37	0.97	4.08	1.08	4.19	1.02
Sugarcane and Sugar Supportive Fund	13.79	3.97	2.41	0.64	0.00	0.00
Amortization	0.00	0.00	2.91	0.77	2.17	0.53
Electricity	3.64	1.05	2.51	0.07	2.23	0.54
Others	55.55	16.01	51.73	13.72	86.19	20.97
Total	346.94	100.00	376.96	100.00	411.05	100.00

Administrative expenses mainly consisted of employee compensation and professional and consultancy fee.

In 2016, the administrative expenses were 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 that accrued for over the period approximately 14 Million Baht in which the Company is currently in progress.
- 3) The decrease of sugarcane and sugar supportive fund approximately 10 Million Baht including the decrease of other expenses which is derived from the expense control and management.

According to year ended of 2017, the administrative expenses were raised by 34.09 Million Baht or 9.04% compared to 2016 which was derived from these following factors;

- 1) Employee compensation was increased to 21.41 Million Baht or 44.82% since the base salary and annual bonus payment were increased in 2017.
- 2) Loss from the damaged assets which were unused or losses was accounted by 17.37 Million Baht.

Financial Cost

According to the financial statements year ended on 31 December 2015, 2016 and 2017, the financial cost was equivalent to 125.49 Million Baht, 176.70 Million Baht and 283.78 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 statements year ended on 31 December 2015, 2016 and 2017, the earnings before taxes were equivalent to 326.05 Million Baht, 142.61 Million Baht and 611.45 Million Baht respectively. The increase or decrease of earnings before taxes each year was derived from the increase or decrease of gross profit in each year by 905.00 Million Baht in 2015 and decreased by 760.57 Million Baht in 2016.

G. Corporate Income Tax

According to the financial statements year ended on 31 December 2015, the corporate income tax of the Company was equivalent to 53.70 Million Baht which was slightly increased from the 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.

Furthermore, according to the financial statements 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 the previous year. Regarding to the decreased profit of operating performance on sugar business, and the profit of electricity business received tax benefits was similar to the previous year. The overall corporate income tax of the Company was generally decreased.

According to the financial statements year ended on 31 December 2017, the corporate income tax of the Company was equivalent to 86.03 Million Baht which was increased from the previous year. Regarding to the increasing profit of operating performance on sugar business, it had to pay increasing tax. For electricity business which did not receive tax privileges, such tax was also increased.

H. Net Profit

According to the financial statements year ended on 31 December 2015, 2016 and 2017, the net profit was equivalent to 272.34 Million Baht, 113.32 Million Baht and 525.41 Million Baht respectively. In 2016, the net profit was dropped which was derived from the rising cost of sugarcanes (raw material) according to the increase of global sugar market price. In 2017, the net profit was increased due to the increase production and sale volume of sugar, molasses and other by-products, and the increase of global sugar market price.

14.3 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, sugarcane farmers will deliver the sugarcanes to the factory; however, the sugarcane farmers will receive the total income after deducted by the amount of advance credits. Nevertheless, the advance credits will be paid to sugarcane farmers since the beginning of the planting season.

The assets of the Company as of year ended on 31 December 2015, 2016 and 2017 were equivalent to 6,764.48 Million Baht, 7,226.86 Million Baht and 9,232.74 Million Baht respectively.

Nonetheless, the total assets of the Company as of 31 December 2017 were raised by 2,005.89 Million Baht or 27.76% compared to 31 December 2016. 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), and the investment of Buriram Sugar Group Power Plant Infrastructure Fund considered as the investment in an associate.

1. Current Assets

The current assets of the Company as of year ended on 31 December 2015, 2016 and 2017 were equivalent to 1,997.05 Million Baht, 2,096.05 Million Baht and 2,655.50 Million Baht respectively. The main elements of current assets are sugarcane farmer account receivables and inventory. In addition to the year of 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 line with the increase of supportive planting areas. Furthermore, in the year ended of 2017, the inventories were increased from the rising production volume after the investment on expansion of sugar manufacturing.

Account Receivables

The account receivables of the Company were mainly from the business of sugar manufacture and distribution 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 from 2015 to 2016 was 6 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 production and distribution. 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 2017 were equivalent to 255.56 Million Baht which was higher than year ended of 2015 and 2016 since the sugar was sold almost at the end of period.

Sugarcane Farmer Receivables (Net Total)

Regarding to the business of sugar manufacture and distribution, the Company provides the advance credits for sugarcane farmers in order to support sugarcane farming. For year ended on 31 December 2015, 2016 and 2017, the sugarcane farmer receivables-net were equivalent to 701.90 Million Baht, 990.06 Million Baht and 868.43 Million Baht respectively. The sugarcane farmer receivables-net for year ended on 31 December 2016 were higher than the year 2015 and 2017 due to the factory delayed its starting of sugar production for 2016/2017 crop year compared to the previous year. In the production period, the sugarcane 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 number of receivables.

Sugarcane Farmer Receivables of the Company Classified by the Aged Overdue Receivables

	Audited Financial Statement of Year Ended					
	31 Dec. 2015		31 Dec. 2016		31 Dec. 2017	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Production Season of 2018/2019	-	-	-	-	132.17	13.81
Production Season of 2017/2018	-	-	330.48	30.88	650.33	67.95
Production Season of 2016/2017	121.47	15.53	585.51	54.73	54.46	5.69
Production Season of 2015/2016	526.84	67.31	39.87	3.73	21.06	2.20
Production Season of 2014/2015	40.88	5.23	24.29	2.28	16.87	1.76
Production Season of 2013/2014	4.49	0.57	3.33	0.32	2.74	0.29
Production Season of 2012/2013	1.34	0.17	1.22	0.11	0.92	0.10
Production Season of 2011/2012	1.09	0.13	0.99	0.07	0.97	0.10
Before Production Season of 2011/2012	86.50	11.06	84.23	7.88	77.56	8.10
Total Sugarcane Farmer Receivables	782.61	100.00	1,069.92	100.00	957.08	100.00
Allowance for Doubtful Accounts	(80.71)	(10.31)	(79.86)	(7.46)	(88.65)	(9.26)
Net Total Sugarcane Farmer Receivables	701.90	89.69	990.06	92.54	868.43	90.74

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, etc. Therefore, the Company established the allowance for doubtful accounts in 2013 by 20.33 Million Baht which included all receivables. For the year of 2017, the Company established more allowance for doubtful accounts by 10.30 Million Baht derived from the old receivables due to the inaccuracy of the receivables' collateral value.

Inventory

	Audited Financial Statement of Year Ended					
	31 Dec. 2015		31 Dec. 2016		31 Dec. 2017	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Finished Goods	574.32	80.10	471.55	80.23	901.77	84.55
Byproducts	-	0.00	-	0.00	-	0.00
Trading Goods	63.48	8.85	38.47	6.55	84.05	7.88
Inventory - Warehouse	37.20	5.20	22.55	3.84	32.67	3.06
Goods in Progress	4.67	0.65	8.83	1.50	8.20	0.77
Factory Supplies	37.29	5.20	46.31	7.88	39.85	3.74
Total Inventory	716.96	100.00	587.73	100.00	1,066.54	100.00
Allowance for Diminution in Value	(1.76)	(0.25)	(6.11)	(1.04)	(5.76)	(0.54)
Net Total Inventory	715.20	99.75	581.63	98.96	1,060.78	99.46

The finished goods primarily consist of sugar and some of by-products which are molasses, bagasse and filter cake, however, the Company sells and 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.

According to year ended of 2017, the finished goods of the Company were equivalent to 901.77 Million Baht, raised by 430.22 Million Baht or 91.23% compared to 2016, which was derived from the sugarcanes receiving season was operated faster than the year 2016, and the expansion of production capacity continued since 2016 leading to the increased sugar production according to the amount of sugarcane crushing.

2. Non-Current Assets

Non-current assets of the Company for year ended on 31 December 2015, 2016 and 2017 were equivalent to 4,767.43 Million Baht or 89.45%, 5,130.81 Million Baht or 91.30% and 6,577.24 Million Baht or 73.14% 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 was Chamni Sugar Factory Company Limited (CSF). Additionally, the purchase of machines was for the power plant construction which is Buriram Power Plus Company Limited (BPP).

According to year ended of 2017, lands, buildings and equipment were increased derived from the new molasses storage tank according to the expansion of sugar production capacity. The purchase of lands was for the construction of new sugar manufacturing factory: Buriram Capital Company Limited (BSC). Additionally, the purchase of machines was for the construction of 3 power plants.

B. Source of Funding

Capital Structure

According to financial statement for year ended of 2015, 2016 and 2017, shareholders' equity was equivalent to 2,126.17 Million Baht, 2,092.77 Million Baht and 2,472.52 Million Baht respectively. The operating performance of the Company generated the increase of debt to equity ratio by 2.45 times for year ended of 2016 and 2.73 times for year ended of 2017 due to the business group's increased liabilities from loans which was derived from the Buriram Energy Company Limited (BEC) and Buriram Power Company Limited (BPC) have contracted the net revenue transfer agreement under the Buriram Sugar Group Power Plant Infrastructure Fund.

C. Liabilities

The total liabilities for year ended on 31 December 2015, 2016 and 2017 were equivalent to 4,638.30 Million Baht 5,134.09 Million Baht and 6,760.20 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 2015, 2016 and 2017 the trade account payables and other payables of the Company were equivalent to 512.26 Million Baht, 602.35 Million Baht and 716.12 Million Baht respectively which were mainly the sugarcane 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 line with the quantity of sugarcanes harvested and delivered to the Company.

According to the financial statement for year ended on 31 December 2015, 2016 and 2017 the short-term loans from financial institutions were equivalent to 1,475.17 Million Baht, 1,710.25 Million Baht

and 1,136.30 Million Baht respectively. In 2016, the short-term loans from financial institutions were increased derived from the sugarcane farmers joining 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 2015, 2016 and 2017 the long-term loans from financial institutions were equivalent to 1,694.49 Million Baht, 1,891.67 Million Baht and 1,247.07 Million Baht respectively. The details of loans as of 31 December 2017 are as follows:

Loan No.	Loan Limit (Million Baht)	Interest Rate	Outstanding Loan Balance (Million Baht)
1	460.00	MLR-1.25	316.00
2	300.00	MLR-2.375	175.00
3	365.00	MLR-2.50	243.20
4	300.00	MLR-1.00	229.00
5	400.00	3.80%	266.67
6	30.00	MLR	13.18
7	5.20	MLR-1.00	4.02

D. Shareholders' equity

Shareholders' equity for the year ended on 31 December 2015, 2016 and 2017 were equivalent to 2,125.58 Million Baht, 2,092.77 Million Baht and 2,472.54 Million Baht respectively. The figures have increased because of the operating performance of the Company and stock dividend payouts.

E. Liquidity

(Unit : Million Baht)

Details	Audited Financial Statement of Year Ended		
	31 Dec. 2015	31 Dec. 2016	31 Dec. 2017
Cash flow before changes in asset and operational liability	556.59	550.04	1,056.51
Net cash flow from (used in) operating activities	77.33	397.43	470.31
Net cash flow on investing activities	(1,271.72)	(798.19)	(1,647.95)
Net cash flow from (used in) financing activities	1,059.78	272.18	1,321.36
Net increase (decrease) in cash flow	(134.61)	(128.58)	143.72

Net Cash Flow from Operating Activities

Cash flow before changes in asset and operational liability for year ended 31 December 2015 was higher than the previous year due to the Company's increasing profit in commercial electricity distribution of 2 power plants and fertilizer business.

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 materials cost.

Cash flow before changes in asset and operational liability and net cash flow from operating activities for the year ended 31 December 2017 were higher than the previous year due to an increase in the Company's profit from the sugar production and distribution according to the increasing output, and the raised global sugar price.

Net Cash Flow from Investing Activities

In 2015, the Company has funded 1,300 Million Baht to the project for constructing the second biomass power plant continued from the year-end 2014 and increasing the capacity of sugar production from 17,000 to 24,000 tons of sugarcane per day, as well as constructing the third biomass power plant with the installed capacity of 9.9 megawatts.

In 2016, the Company invested approximately 800 Million Baht for constructing the third biomass power plant with the installed capacity continued from the year 2015.

In 2017, the Company invested approximately 1,600 Million Baht for the establishment of the Buriram Sugar Group Power Plant Infrastructure Fund as an associate company and invested in assets for the production of sugar and electricity businesses.

Net cash flow from financing activities

For the year ended on 31 December 2015, short-term loans from financial institutions have increased for 1,059.78 Million Baht while long-term loans from financial institutions were invested on the expansion of sugar production.

For the year ended on 31 December 2016, short-term loans from financial institutions have increased for 272.18 Million Baht while long term loans from financial institutions were invested on the expansion of sugar production and credits for expanding sugarcane plantations.

For the year ended on 31 December 2017, the Company had net cash flow from financing activities for 1,321.36 Million Baht due to the long-term loans from the associate company: Buriram Sugar Group Power Plant Infrastructure Fund and repayment for some of long-term loans to financial institutions.

Liquidity Ratio

	Unit	Audited Financial Statement of Year Ended		
		31 Dec. 2015	31 Dec. 2016	31 Dec. 2017
Liquidity Ratio	(times)	0.85	0.51	1.04
Quick Liquidity Ratio	(times)	0.57	0.31	0.63
Average Collection Period	(day)	6	6	5
Average Selling Period	(day)	72	72	67
Collection Period	(day)	71	71	54
Cash Cycle	(day)	-7	-7	-18

For the year ended on 31 December 2015, the Company's liquidity ratio had been improved by issuing debentures to repay for short-term loans. In 2016, the liquidity ratio dropped as the collection period for debentures was due. In 2017, the liquidity ratio had been improved due to the complete repayment for the debentures.

Profitability Ratio

For the year ended on 31 December 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 per sugar unit affected by drought. In 2017, gross profit margin and net profit of the Company were increased as a result of the raised sugar price according to the sugar market price.

Efficiency Ratio

For the year ended on 31 December 2015, 2016 and 2017, the asset turnover of the Company was equivalent to 0.71 times, 0.67 times and 0.72 times respectively. In 2016, the fall of asset turnover was the result of the Company's investment on increasing capacity on sugar production and construction of biomass power plants. This had caused higher asset value while there was only a slight increase of the Company's profits due to the decreased global sugar price.

Ratio Analysis

In 2015, shareholders' equity had increased to 2,126.17 Million Baht as a result of the Company's operating results and IPO for production. This had increased the debt to equity ratio to 2.18 times at the end of year 2015.

In 2016, shareholders' equity had dropped to 2,092.77 Million Baht due to decrease of the Company's operating results. The dividend payment in 2016 had made the debt to equity ratio increased to 2.45 times by the end of year 2016.

In 2017, shareholders' equity has increased to 2,472.53 Million Baht due to increase of the Company's operating results. The dividend payment in 2017 and the debt to equity ratio increased to 2.73 times by the end of year 2017.

Contingent Liability and Commitment

For year ended on 31 December 2017, the Company had outstanding letters of guarantee issued by financial institutions as contingent liability and commitment for the purchase of electricity from Provincial Electricity Authority (PEA) at 6.20 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, the company still uses 70:30 profit sharing system 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 profit sharing system 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 calculates sugarcane prices in which sugar manufacturers will need to pay for farmers based on the average actual sales price that Thai Cane & Sugar Co., Ltd. (TCSC) has set from quota B. This means material cost varies in line with the price set by TCSC. If the Company sells sugar abroad at lower price than TCSC's actual selling 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 TCSC's average sales price, there will be more gains and profit margin.

Risk management for the above includes monitoring closely the fluctuation of the price and the selling price of TCSC 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 of Raw Materials

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, rubbers, and so on.
 - B. Climate, rainfall, irrigation system, soil condition, types of sugarcane, sugarcane diseases, and other factors affecting the volume of sugarcane. Changes in those factors can reduce the volume of sugarcane.
 - C. Competition between other sugar manufacturers and Buriram Sugar Factory Company Limited (“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 respectively.

Government Control

Office of the Cane and Sugar Board is responsible for and overseeing Sugar industry in Thailand under the Cane and Sugar Act, B.E. 2527. This is the law that govern 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 profit sharing system between sugarcane farmers and mills at the rate of 70:30. The ministers of Ministry of Industry, 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 significantly affect the company’s operating profit and sugar manufacturers.

Rate of Exchange

Export revenues of the Company are recognized as the USD currency in which 80 percent are from sugar and molasses sales. The Company is exposed to have risk in case the rate of exchange is fluctuated and this can affect the business operations and revenue of the Company.

Future Projects

The Company has planned to invest in constructing a new sugar manufactory to maximize highest benefits for sugarcane production. The accomplishment is believed to increase profits of the Company.

Other Relevant Information

- None -

Details of Boards of Directors, Executive Members, Controlling Persons and Company Secretary

Name/ Position/ Nationality/ Age/Appointment Date		Education	Shares Held (%)	Family Relationship Between Directors and Executives	Work Experience Past 5 Years - Present		
					Period	Position	Company
1. Mr. Prachuab Chaivasan Chairman of the Board of Directors (Independent Director) and Chairman of the Audit Committee Nationality: Thai Age: 73 years old Appointment Date: 15 October, 2012		- 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)	0.0499 % (405,000 shares) (As of December 29, 2017/ No share held by a spouse and underage child)	-None-	Position in the Company & Subsidiaries:		
					2012 - Present	Chairman of Board of Directors (Independent Director)/ Chairman of Audit Committee	Buriram Sugar Public Company Limited
					Position in Listed Companies:		
					2006 – Present	Director/ Chairman of Audit Committee	Thai Ethanol Power Public Company Limited
					2003 – Present	Director/ Chairman of Audit Committee	The Steel Pubic Company Limited
					Position in Other Limited Companies/ Organizations:		
2017 Meeting Attendance: Board of Directors' Meetings: 8/9 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 previous year.					2017 – Present	Director	Beston Global Food (Thailand) Co., Ltd.
					2016 – Present	Consultant	Thai Ethanol Manufacturing Association
					2015 – Present	Director	Paksong Highland Co., Ltd.
					2006 – 2017	Director	Taiping Ethanol Co., Ltd.
					2003 – 2013	Chairman of Ramkhamhaeng University Council	Ramkhamhaeng University
					Position in Competition/ Related to Businesses of the Company: -None-		

Name/ Position/ Nationality/ Age/Appointment Date		Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience Past 5 Years - Present		
					Period	Position	Company
2. Mrs. Seenual Tasanapant Director (Independent Director), Audit Committee Member, Chairman of Nomination and Compensation Committee and Chairman of Corporate Governance Committee Nationality: Thai Age: 71 years old Appointment Date: 3 October, 2014 2017 Meeting Attendance: Board of Directors' Meetings: 9/9 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 previous year.		- 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	No Share	-None-	Position in the Company & Subsidiaries:		
					2014 - Present	Director (Independent Director)/ Audit Committee Member / Chairman of Corporate Governance Committee / Chairman of Nomination and Compensation Committee	Buriram Sugar Public Company Limited
					Position in Listed Companies:		
					2006 – Present	Independent Director/ Audit Committee Member/ Chairman of Nomination and Compensation Committee	The Steel Public Company Limited
					Position in Other Limited Companies/ Organizations:		
					2012 – 2016	Director	Taiping Ethanol Co., Ltd.
					2007 – 2009	Advisor of Administrative Directors	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/ Position/ Nationality/ Age/Appointment Date	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience Past 5 Years - Present		
				Period	Position	Company
3. Mr. Sirichai Sombusiri Director (Independent Director) and Audit Committee Member Nationality: Thai Age: 64 years old Appointment Date: 10 January, 2013	- 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 National Defense College Class 15 - Director Accreditation Program (DAP) Class 25/2004 Thai Institute of Directors (IOD) - Capital Market Academy Leadership Program Class 5, Capital Market Academy	0.0499 % (405,000 shares) (As of December 29, 2017/ No share held by a spouse and underage child)	-None-	Position in the Company & Subsidiaries:		
				2013 - Present	Director (Independent Director)/ Audit Committee Member	Buriram Sugar Public Company Limited
				Position in Listed Companies:		
				2009 – 2013	Vice President of Business Customer	Siam Commercial Bank Public Company Limited
				2009 – Present	Director (Independent Director)	OHTL Public Company Limited
2017 Meeting Attendance: Board of Directors’ Meetings : 6/9 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 previous year.				2014 – Present	Director/ Executive Director	Land and Houses Bank Public Company Limited
				2016 – Present	Director (Independent Director)	Prebuilt Public Company Limited
				Position in Other Limited Companies/ Organizations: - None -		
Position in Competition/ Related to Businesses of the Company: -None-						

Name/ Position/ Nationality/ Age/Appointment Date	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience		
				Past 5 Years - Present		
				Period	Position	Company
4. Mr. Anant Tangtongwechakit Director, Chairman of Executive Committee, Chairman of Risk Management Committee, and Managing Director (Authorized Director) * Acting Senior Deputy Managing Director in Finance and Operation/ CFO Nationality: Thai Age: 53 years old Appointment Date: 13 September, 1988	- 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 - Director Certification Program (DCP) Class 239/2017, Thai Institute of Directors (IOD)	4.0678% (33,034,320 shares) (Owned by 33,009,000 shares and Mrs. Sureewan Tangtongwechakit, spouse by 25,320 shares) (As of December 29, 2017 including his spouse but no share held by underage child)	Elder brother of Mrs. Wanphen Punyaniran, Mrs. Jirawan Pongpichitkul, Miss Chittima Tangtongwechakit, Mr. Sarit Tangtongwechakit and Mr. Adisak Tangtongwechakit	Position in the Company & Subsidiaries:		
				2012 – Present	Chairman of Executive Committee/ Director/ Chairman of Risk Management Committee/ Managing Director	Buriram Sugar Public Company Limited
				2011 – Present	Chairman of Board of Directors/ Chairman of Executive Committee/ Managing Director	Buriram Sugar Factory Co., Ltd.
				2010 – Present	Chairman of Board of Directors/ Chairman of Executive Committee	Buriram Sugarcane Research and Development Co., Ltd.
				2005 – Present	Chairman of Board of Directors/ Chairman of Executive Committee	Buriram Energy Co., Ltd.
				2011 - Present	Chairman of Board of Directors/ Chairman of Executive Committee	Key Brand Fertilizer Co., Ltd.
				2011 - Present	Chairman of Board of Directors/ Chairman of Executive Committee	Buriram Power Co., Ltd.
				2015 – Present	Chairman of Board of Directors/ Chairman of Executive Committee	Buriram Power Plus Co., Ltd
2017 Meeting Attendance: Board of Directors' Meetings: 8/9						
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 previous year.						

Name/ Position/ Nationality/ Age/Appointment Date	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience		
				Past 5 Years - Present		
				Period	Position	Company
4. Mr. Anant Tangtongwechakit (Continued)				Position in the Company & Subsidiaries:		
				2015 – Present	Chairman of Board of Directors	Chamni Sugar Factory Co., Ltd.
				2015 - Present	Chairman of Board of Directors	Buriram Sugar Capital Co., Ltd.
				Position in Listed Companies:		
				2016 – present	Director (Independent Director)	Thaifoods Group Public Company Limited
				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	B.R.S. 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
				2012 – Present	Chairman of Board of Directors	Buriram Capital Co., Ltd.
				Position in Competition/ Related to Businesses of the Company: - None -		

Name/ Position/ Nationality/ Age/Appointment Date	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience		
				Past 5 Years - Present		
				Period	Position	Company
5. Mrs. Wanphen Punyaniran Director (Authorized Director) Nationality: Thai Age: 51 years old Appointment Date: 7 July, 2012	- Secondary School Grade 2, Marywithaya Prachinburi School - Director Accreditation Program (DAP) Class 98/2012, Thai Institute of Directors (IOD) - Director Certification Program (DCP) Class 242/2017, Thai Institute of Directors (IOD)	4.0499% (32,889,000 shares) (As of December 29, 2017/ no share held by a spouse and underage child)	Younger sister of Mr. Anant Tangtrongwechakit and elder sister of Mrs. Jirawan Pongpichitkul, Miss Chitima Tangtrongwechakit, Mr. Sarit Tangtrongwechakit and Mr. Adisak Tangtrongwechakit	Position in the Company & Subsidiaries:		
				2011 – Present	Director	Buriram Sugar Public Company Limited
				2012 - Present	Director/ Executive Director/ Managing Director	Key Brand Fertilizer Co., Ltd.
				Position in Listed Companies: -None-		
				Position in Other Limited Companies/ Organizations:		
2017 Meeting Attendance: Board of Directors’ Meetings: 9/9 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 previous year.				2004 – Present	Executive Director	Borhongs Steel Co., Ltd.
				2007 – Present	Executive Director	Premasuk Hotel Ordinary Partnership
				2012– Present	Director	Buriram Capital Co., Ltd.
				Position in Competition/ Related to Businesses of the Company: - None -		

Name/ Position/ Nationality/ Age/Appointment Date	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience		
				Past 5 Years - Present		
				Period	Position	Company
6. Mrs. Jirawan Pongpichikul Director, Executive Committee Member, Risk Management Committee Member and Senior Deputy Managing Director (Domestic Investment: Agricultural Business) (Authorized Director) Nationality: Thai Age: 49 years old Appointment Date: 11 November, 2010	- 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) - Director Certification Program (DCP) Class 239/2017, Thai Institute of Directors (IOD)	4.0499% (32,889,000 shares) (As of December 29, 2017/ no share held by a spouse and underage child)	Younger sister of Mr. Anant Tangtrongwechakit and Mrs. Wanphen Panyaniran and elder sister of Miss Chittima Tangtrongwechakit, Mr. Sarit Tangtrongwechakit and Mr. Adisak Tangtrongweachakit	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	Chammi Sugar Factory Co., Ltd.
				2015- Present	Director	Buriram Sugar Capital Co., Ltd.
Position in Listed Companies: -None-			Position in Other Limited Companies/ Organizations:			
2012-Present		Director	Buriram Capital Co., Ltd.			
Position in Competition/ Related to Businesses of the Company: - None -						

Name/ Position/ Nationality/ Age/Appointment Date		Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience Past 5 Years - Present		
					Period	Position	Company
7. 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 (Domestic Investment: Commercial) (Authorized Director) Nationality: Thai Age: 47 years old Appointment Date: 12 May, 1995		- 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) Class 30/2016 Thai Institute of Directors (IOD) - Director Certification Program (DCP) Class 243/2017, Thai Institute of Directors (IOD)	4.0499% (32,889,000 shares) (As of December 29, 2017/ no share held by a spouse and underage child)	Younger sister of Mr. Anant Tangtrongwechakit, Mrs. Wanphen Punyaniran and Mrs. Jirawan Pongpichitkul and elder sister of Mr. Sarit Tangtrongwechakitj and Mr. Adisak Tangtrongweachakit	Position in the Company & Subsidiaries:		
					1995 – Present	Director/ Executive Committee Member/ Risk Management Committee Member/ Nomination and Compensation Committee Member/ Corporate Governance Committee Member/ Senior Deputy Managing Director (Domestic Investment: Commercial)	Buriram Sugar Public Company Limited
					2011 - Present	Director/ Executive Committee Member/ Senior Deputy Managing Director (Marketing 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:					
		2012–Present			Director	Buriram Capital Co., Ltd.	
		Position in Competition/ Related to Businesses of the Company: - None -					

Name/ Position/ Nationality/ Age/Appointment Date		Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience Past 5 Years - Present		
					Period	Position	Company
8. Mr. Sarit Tangtrongwechakij Director, Executive Committee Member, Risk Management Committee Member and Senior Deputy Managing Director (International Investment) (Authorized Director) Nationality: Thai Age: 46 years old Appointment Date: 25 June, 2004 2017 Meeting Attendance: Board of Directors' Meetings: 8/9 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 previous year.		- 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) - Director Certification Program (DCP) Class 242/2017, Thai Institute of Directors (IOD)	4.0499% (32,889,000 shares) (As of December 29, 2017/ no share held by a spouse and underage child)	Younger brother of Mr. Anant Tangtrongwechakit, Mrs. Wanphen Punyaniran, Mrs. Jirawan Pongrichitkul and Miss Chittima Tangtrongwechakit and elder brother of Mr. Adisak Tangtrongweachakit	Position in the Company & Subsidiaries:		
					2004 - Present	Director/ Executive Committee Member/ Risk Management Committee Member/ 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	Chamni Sugar Factory Co., Ltd.
					2015- Present	Director	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 Premium Bike Co., Ltd.		
			2012-Present	Director	Buriram Capital Co., Ltd.		
Position in Competition/ Related to Businesses of the Company: - None -							

Name/ Position/ Nationality/ Age/Appointment Date	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience		
				Past 5 Years - Present		
				Period	Position	Company
9. 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 (Domestic Investment: Energy Business) (Authorized Director) Nationality: Thai Age: 44 years old Appointment Date: 25 June, 2004	- 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) Class 4/2016, Thai Institute of Directors (IOD) - Director Certification Program (DCP) Class 246/2017, Thai Institute of Directors (IOD)	4,0499% (32,889,000 shares) (As of December 29, 2017/ no share held by a spouse and underage child)	Younger brother of Mr. Anant Tangtrongwechakit, Mrs. Wanphen Punyaniran, Mrs.Jirawan Pongpichitkul, Miss Chittima Tangtrongwechakit and Mr. Sarit Tangtrongwechakij	Position in the Company & Subsidiaries:		
				2004 - Present	Director/ Executive Committee Member/ Risk Management Committee Member/ Nomination and Compensation Committee Member/ Corporate Governance Committee Member/ Senior Deputy Managing Director (Domestic Investment: Energy Business)	Buriram Sugar Public Company Limited
				2011 - Present 2010 – Present	Director/ Executive Committee Member Director	Buriram Sugar Factory Co., Ltd. Buriram Sugarcane Research and Development Co., Ltd. Buriram Energy Co., Ltd.
				2005– Present	Director/ Executive Committee Member/ Managing Director	
				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	Chamni Sugar Factory Co., Ltd.
				2015– Present	Director	Buriram Sugar Capital Co., Ltd.
				Position in Listed Companies: -None-		
Position in Other Limited Companies/ Organizations:						
				2007 – Present	Director	B.R.S. Train Terminal Logistics Co., Ltd.
				2014 – Present	Vice Chairman of Board of Directors	The Federation of Buriram Industries
				2012 – Present	Director	Buriram Capital Co., Ltd.
Position in Competition/ Related to Businesses of the Company: - None -						

Name/ Position/ Nationality/Age	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience Past 5 Years - Present		
				Period	Position	Company
10. Mr. Vorathep Lertchaudomchok Senior Deputy Managing Director (Finance and Operation) *Resigned on April 2017 Nationality: Thai Age: 60 years old	- 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)	Sell all BRR's share in total 68,900 shares on January 4, 2017	-None-	Position in the Company & Subsidiaries:		
				2005-April 2017	Senior Deputy Managing Director (Finance and Operation)	Buriram Sugar Public Company Limited
				2012 – 2014	Company secretary	
				2005-April 2017	Senior Deputy Managing Director (Operation)	Buriram Sugar Factory Co., Ltd.
				Position in Listed Companies: -None-		
11. Mr. Pattarapong Pongsawasdi Deputy Managing Director (Foreign Affairs and Industry Policy, and Investor Relations) Nationality: Thai Age: 49 years old	- Bachelor of Political Science, Chulalongkorn University - Master of Art (International Relations) University of Wollongong, Australia	No Share	-None-	Position in Other Limited Companies/ Organizations: -None-		
				Position in Competition/ Related to Businesses of the Company: - None -		
				Position in the Company & Subsidiaries:		
				2017 -Present	Deputy Managing Director (Foreign Affairs and Industry Policy, and Investor Relations)	Buriram Sugar Public Company Limited
				2013 – 2017	Senior Assistant Managing Director (Foreign Affairs and Industry Policy, and Investor Relations)	
				Position in Listed Companies: -None-		
				Position in Other Limited Companies/ Organizations:		
				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
				Position in Competition/ Related to Businesses of the Company: - None -		

Name/ Position/ Nationality/Age	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience		
				Past 5 Years - Present		
				Period	Position	Company
12. Mr. Pitak Chaosoum Deputy Managing Director (Finance & Operation) Nationality: Thai Age: 44 years old	- Bachelor of Business Administration (Accounting), Ramkhamhaeng University - Master of Business Administration (Business Administration) Ramkhamhaeng University - Strategic CFO in Capital Markets, Module 4 The Stock Exchange of Thailand - PWC Thailand Symposium 2017 'Dealing with disruption and adapting to survive and thrive' (PWC) - 2017 Thai Financial Reporting Standards (Concise 502), Federation of Accounting Professions -2017 Thai Financial Reporting Standards (Concise 503), Federation of Accounting Professions - Transfer Pricing Documentation (PWC) -2017 Thai Financial Reporting Standards (Concise 601), Federation of Accounting Professions	0.0004% (3,240 shares) (As of December 29, 2017/ no share held by a spouse and underage child)	-None-	Position in the Company & Subsidiaries:		
				2017 –Present	Deputy Managing Director (Finance & Operation)	Buriram Sugar Public Company Limited
				2013 – 2017	Senior Assistant Managing Director (Finance & Operation)	
				2012 –Present	Deputy Managing Director	
				2006 – 2012	Financial and Accounting Manager	Buriram Sugar Factory Co., Ltd.
				Position in Listed Companies: -None-		
				Position in Other Limited Companies/ Organizations:		
				2015-Present	Vice Chairman of Federation of Industries	Federation of Buriram Industries
				Position in Competition/ Related to Businesses of the Company: - None -		
13. Mr.Adul Suravudhikul Senior Assistant Managing Director (Financial Management) Nationality: Thai Age: 55 years old	- Bachelor of Accountancy, Thammasat University - Master of Business Administration (MIS), St. Joseph's University, USA - Director Accreditation Program (DAP) Class 136/2017 Thai Institute of Directors (IOD)	No Share	-None-	Position in the Company & Subsidiaries:		
				2015 – Present	Senior Assistant Managing Director (Financial Management)	Buriram Sugar Public Company Limited
				Position in Listed Companies:		
				1999 – 2015	Senior Director (Investment Banking)	UOB (Thai) Public Company Limited
				Position in Other Limited Companies/ Organizations: -None-		
				Position in Competition/ Related to Businesses of the Company: - None -		

Name/ Position/ Nationality/Age/ Appointment Date	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience Past 5 Years - Present		
				Period	Position	Company
				Position in the Company & Subsidiaries:		
				2015 - Present	Director Office Manager and Company Secretary	Buriram Sugar Public Company Limited
14. Miss Patcharee Kosanam Director Office Manager and Company Secretary	-Bachelor's degree of Arts (Second-Class Honor), Silpakorn University -The trainings related to a company secretary's duties by the Thai Institute of Directors (IOD): • 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 - Advances for Corporate Secretaries), Class 2/2016, Thai Listed Companies Association	No Share	-None-	2006 – 2014	Assistant to Company Secretary	
Nationality: Thai Age: 31 years old Appointment Date: 12 November, 2015				Position in Listed Companies: -None-		
				Position in Other Limited Companies/ Organizations:		
				2014 – 2015	Executive Secretary to Executive Vice President of Corporate and Communications Department	Central Group Company Limited
				Position in Competition/ Related to Businesses of the Company: - None -		

Company Secretary's Responsibilities

The company secretary must comply with Section 89/15 and Section 89/16 of the Securities and Exchange Act (No.4) B.E. 2551 with effective date on August 31, 2008 (including the amendments). The company secretary must perform duties with responsibility, carefulness and honesty, as well as follow the laws, objectives, the company's articles of association, board's resolutions, and resolution of shareholders' meeting. The details of company secretary's responsibilities according to the laws are as follows;

1. To prepare and archive the following documents:
 - A. Directors' registration
 - B. Notice of the Board of Directors' meeting, minutes of the Board of Directors' meeting, and the annual report
 - C. Notice of the shareholders' meeting, and minutes of shareholders' meeting
2. To maintain document relating to the interest reports filed by directors or executives, and submit such copies in compliance with the Section 89/14 to the Chairman of the Board of Directors and Chairman of the Audit Committee to acknowledge within 7 workdays from date of receiving the reports.
3. To carry out other proceedings as prescribed by the Capital Market Supervisory Board.

Moreover, the company secretary has other duties as assigned by the company (or the Board of Directors) as follows;

- To provide preliminary advice pertaining to laws and relevant regulations and to monitor proper and regular compliance of the Board of Directors' affairs according to the laws.
- To organize the Board of Directors' meeting and shareholders' meeting.
- To coordinate with the other departments in the company to ensure the compliance with resolutions of the Board of Directors and shareholders' meeting.
- To coordinate with the governing bodies such as the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as to oversee the disclosure of information and file the relevant reports to the governing bodies and the public completely as required by laws.
- Other duties as assigned by the Board of Directors and the company

Position of directors or executives in subsidiaries, associates, or related companies

Name	Company	Subsidiaries							
	BRR	BSF	BRD	BEC	BPC	KBF	BPP	CSF	BSC
Mr. Anant Tangtongwechakit	/ / / / / / / /	X / / / / / / / /	X / /	X / /	X / /	X / /	X / /	X	X
Mrs. Wanphen Punyaniran	/	-	-	-	-	/ / / / /	-	-	-
Mrs. Jirawan Pongpichitkul	/ / / / / / / /	/ / /	/ / / / /	/	/	/ / /	/	/	/
Miss Chittima Tangtrongwechakit	/ / / / / / / /	/ / / / / /	/	/	/	/	/	/	/
Mr. Sarit Tangtrongwechakij	/ / / / / / / /	/ / / / / / / /	/ / /	/ / /	/ / /	/	/ / /	/	/
Mr. Adisak Tangtrongwechakit	/ / / / / / / /	/ / /	/	/ / / / /	/ / / / /	/	/ / / / /	/	/

Remarks: X = Chairman / = Director // = Executive Director /// = Managing Director //// = Executive

Directors and executives of the subsidiary operating the core business

The subsidiary that generates more than 10% of the total revenue in latest fiscal year on profits and losses financial statements is Buriram Sugar Factory Company Limited (BSF).

Buriram Sugar Factory Company Limited (BSF)

Board of Directors

As of 31 December 2017, Board of Directors consisted of 5 directors as follows:

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

Executive Committee

As of 31 December 2017, Executive Committee consisted of 5 members as follows:

Name	Position
1. Mr. Anant Tangtongwechakit	Chairman of the Executive Committee and Managing Director
2. Mrs. Jirawan Pongpichitkul	Member of the Executive Committee
3. Miss Chittima Tangtrongwechakit	Member of the Executive Committee
4. Mr. Sarit Tangtrongwechakij	Member of the Executive Committee
5. Mr. Adisak Tangtrongwechakit	Member of the Executive Committee

Executives

As of 31 December 2017, there were 7 executives as follows:

Name	Position
1. Mr. Anant Tangtongwechakit	Managing Director
2. Miss Chittima Tangtrongwechakit	Senior Deputy Managing Director in Marketing
3. Mr. Sarit Tangtrongwechakij	Senior Deputy Managing Director in Production
4. Mr. Vorathep Lertchaudomchok (Resigned on April 2017)	Senior Deputy Managing Director in Operation
5. Mr. Yanyong Kittithatphongphon	Deputy Managing Director in Production
6. Mr. Pitak Chaosoun	Deputy Managing Director in Operation
7. Mr. Nopant Phoolsap	Assistant Managing Director in Production

Thus, the details of the directors and executives of the subsidiary operating the core business are stated in the “Details of the Boards of Directors, Executive Members, Controlling Persons and Company Secretary” of Buriram Sugar Public Company Limited as mentioned above. Regarding the details of the executives in the level 1-4 and 6 are also disclosed in “Details of the Boards of Directors, Executive Members, Controlling Persons and Company Secretary” of Buriram Sugar Public Company Limited as well. In addition, the details of the executives in the level 5 and 7 are as follows:

Name/ Position/ Nationality/ Age	Education	BRR's Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience Past 5 Years - Present		
				Period	Position	Company
				Position in the Company & Subsidiaries:		
				2011 – Present	Deputy Managing Director in Production	Buriram Sugar Factory Company Limited
				2009 – 2010	Assistant Managing Director in Production	
Mr. Yanyong Kittitachpongorn Deputy Managing Director in Production Nationality: Thai Age: 66 years old		0.0098% (80,040 Shares) (Owned by 62,040 shares and Mrs. Kamitha Kittitachpongorn, spouse owning 18,000 shares) (As of December 29, 2017/ Including spouse's but no share held by an underage child)	-None-	Position in Listed Companies: -None-		
				Position in Other Limited Companies/ Organizations: - None -		
				Position in Competition/ Related to Businesses of the Company: - None -		
Mr. Nopant Poonsub Assistant Managing Director in Production Nationality: Thai Age: 52 years old	- Bachelor of Chemical Engineering, Prince of Songkla University	0.0037% (30,600 shares) (As of December 29, 2017/ No share held by a spouse and underage child)	-None-	Position in the Company & Subsidiaries:		
				1997 – Present	Assistant Managing Director in Production	Buriram Sugar Factory Company Limited
				Position in Listed Companies: -None-		
				Position in Other Limited Companies/ Organizations: - None -		
				Position in Competition/ Related to Businesses of the Company: - None -		

BRR Securities Holding of Directors and Executives in 2017

Name	Position	Amount of Ordinary Shares as of December 2016	Method of Acquisition and Disposition				Amount of Ordinary Shares as of 29 December 2017	% Total Number of Voting Rights	Remark
			Buy	Sell	Received	Transfer			
1. Mr. Prachuab Chaiyasarn	Chairman of Board of Directors (Independent Director) and Chairman of Audit Committees	337,500	-	-	-	-	**405,000	0.0499	BRR's shares increased due to allocation of stock dividends
2. Mr. Anant Tangtrongwechakit	Director (Executive), Chairman of Executive Committees, Chairman of Risk Management Committees and Managing Director	27,528,600	-	-	-	-	**33,034,320 *(including his spouse's 25,320 shares (Mrs. Sureewan Tangtrongwechakit))	4.0678	
3. Mrs. Wanphen Punyaniran	Director (Executive)	27,407,500	-	-	-	-	**32,889,000	4.0499	
4. Mrs. Jirawan Pongpichitkul	Director (Executive), Executive Committee Member and Risk Management Committee Member	27,407,500	-	-	-	-	**32,889,000	4.0499	
5. Miss Chittima Tangtrongwechakit	Director (Executive), Executive Committee Member, Risk Management Committee Member, Nomination and Compensation Committee Member and Corporate Governance Committee Member	27,407,500	-	-	-	-	**32,889,000	4.0499	
6. Mr. Sarit Tangtrongwechakit	Director (Executive), Executive Committee and Risk Management Committee Member	27,407,500	-	-	-	-	**32,889,000	4.0499	

Name	Position	Amount of Ordinary Shares as of December 2016	Method of Acquisition and Disposition				Amount of Ordinary Shares as of December 2017	% Total Number of Voting Rights	Remark
			Buy	Sell	Received	Transfer			
7. Mr. Adisak Tangtrongwechakit	Director (Executive), Executive Committee Member, Risk Management Committee Member, Nomination and Compensation Committee Member and Corporate Governance Committee Member	27,407,500	-	-	-	-	**32,889,000	4.0499	BRR's shares increased due to allocation of stock dividends
8. Mr. Sirichai Sombutsiri	Independent Director and Audit Committee Member	337,500	-	-	-	-	**405,000	0.0499	
9. Mrs. Seenual Tasanapant	Independent Director, Audit Committee Member, Chairman of Corporate Governance Committees and Chairman of Nomination and Compensation Committees	-	-	-	-	-	-	-	No BRR's Shares
10. Mr. Vorathep Lertchaiudomchok	Senior Deputy Managing Director in Finance and Operation Group (Resigned on April, 2017)	68,900	-	68,900	-	-	-	-	Sold BRR's Shares on Jan 4, 2017
11. Mr. Piak Chaosoun	Deputy Managing Director in Finance and Operation Group	2,700	-	-	-	-	**3,240	0.0004	BRR's shares increased due to allocation of stock dividends
12. Mr. Pattarapong Pongsawasdi	Deputy Managing Director in Investor Relations, International Affair and Industrial Policy	-	-	-	-	-	-	-	No BRR's Shares
13. Mr. Adul Suravudhikul	Assistant Managing Director in Financial Management	-	-	-	-	-	-	-	No BRR's 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.

**BRR's shares held by directors and executives no. 1-8 and no.11 increased due to the allocation of stock dividends (5 existing shares per 1 stock dividend) on May 24, 2017.

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

Details of the Directors of Company's Subsidiaries

Details of the Directors of the Company's Subsidiaries

Names of directors in each subsidiary, only the significant subsidiary that generates more than 10% of total revenue in the latest fiscal year on the profit and loss statements is Buriram Sugar Factory Company Limited (BSF), which the company discloses the details about positions of directors, executive directors, and senior executives of Buriram Sugar Factory Company Limited in the Attachment 1.

Details of the Head of the Internal Audit

Name	Age (Years)	Education	Work Experience (Past 5 Years)		
			Period	Position	Company / Type of Business
Miss Pornthip Winyupakorn	43	<input type="checkbox"/> Master of Business Administration in Accounting, Chulalongkorn University <input type="checkbox"/> Bachelor of Business Administration (Finance), Kasetsart University <input type="checkbox"/> Certified Profession Accountant (CPA – Thailand)	2014 – Present	Internal Audit Office Manager	Buriram Sugar Public Company Limited / Holding Company
			2010 – 2014	Internal Audit Manager	Sauna Italia (Thailand) Company Limited/ Beauty Industry

Details of the Asset Appraisal

Details of Asset Appraisal

- None -

Report on the Board of Directors' Responsibility for the Financial Statements

The 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 was disclosed in 2017 Annual Registration Statement (56-1 Form), and 2017 Annual Report 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 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.

The 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 disclosed the important information in footnotes to financial statements which were 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, 2017 showed the validity of the financial position, operating results and cash flow pursuant to the important matters concerning to the disclosure standards of the financial statements. Furthermore, the management discussion and analysis regarding the financial positions and performances of the company and its subsidiaries was transparently disclosed, so as to contribute to the benefits of the shareholders and general investors.

Nevertheless, the 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 Committee which consists of independent directors 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 committee are shown in the report of audit committee which is disclosed in the 2017 Annual Registration Statement (56-1 Form) and 2017 Annual Report.

The 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 statements of the Company and its subsidiaries and the separate financial statements in year ended December 31, 2017 are accurate and reliable in accordance with the general standard of accounting, laws and relevant regulations.



(Mr. Prachuab Chaiyasan)
Chairman of the Board of Directors



(Mr. Anant Tangtongwechakit)
Chairman of the Executive Committee and
Managing Director

Report of the Audit Committee

To: All shareholders of Buriram Sugar Public Company Limited

The Board of Directors of the Company has appointed the Audit Committee to be responsible for report reviews, and the committee consists of 3 independent directors as listed below:

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

In 2017, the Audit Committee had 6 meetings with the management team, the internal audit office and the auditor. The meeting attendance of the audit committee is as follows;

Name	Number of Attendance
Mr. Prachuab Chaiyasan	5/6
Mr. Sirichai Sombutsiri	5/6
Mrs. Seenual Tasanapant	6/6

A summary of the important matters performed by the Audit Committee and its opinions are as follows;

- **Reviews of the 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 the year 2017 which have been reviewed and audited by the auditor. The Committee deemed that the financial reports for 2017 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 2017 internal control system and promote internal control advancement.

- **Compliance with the laws 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 of Directors to ask for approval from the shareholder's meeting to continue appointing PricewaterhouseCoopers ABAS Ltd. as the Company's auditor for 2018.

- **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 2017 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, 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 the internal audit office has already inspected and evaluated and also reported on the self-assessment of Thai Institute of Directors.



.....
(Mr. Prachuab Chaiyasan)

Chairman of the Audit Committee

Report of the Risk Management Committee

Report of the Risk Management Committee

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 whose composition consists of members who possess sound knowledge and well understanding upon the Company's business operations: that is, Chairman of the Risk Management Committee, Mr. Anant Tangtongwechakit, and 4 members of the Risk Management Committee: Mrs. Jirawan Pongpichitkul, Miss Chittima Tangtrongwechakit, Mr. Sarit Tangtrongwechakit, and Mr. Adisak Tangtrongwechakit.

In 2017, the Risk Management Committee had quarterly meetings. The meeting attendance of the Risk Management Committee is as follows;

Name	Number of Attendance
1. Mr. Anant Tangtongwechakit	4/4
2. Mrs. Jirawan Pongpichitkul	3/4
3. Miss Chittima Tangtrongwechakit	4/4
4. Mr. Sarit Tangtrongwechakit	2/4
5. Mr. Adisak Tangtrongwechakit	4/4

The Risk Management Committee has established a policy on risk management and effective control activities to cover the major operations that are essential to business operations, and report the risk management plan to the Audit Committee and the Board of Directors respectively for acknowledgement to ensure the readiness for the changing situations and seek an opportunity to conduct the existing businesses and upcoming businesses. A summary of 2017 important matters performed by such committee are as follows;

1. Risk Management Plan in 2017

Risk Management Committee has determined the risk appetite upon the risk management limits in each procedure such as sugarcane crushing capacity per day, sugar production efficiency, and environmental risk etc., which was notified to the risk owners already.

2. Risk Management

Members of the Risk Management Committee are senior executives in each business unit of the Buriram Sugar Group in order to determine a policy, provide a suggestion, and promote the risk management to ensure the most effective and efficient risk management practices.

3. Monitor and Supervise the Risk Management Plan

Risk Management Committee has assigned the Risk Management Office to monitor the risk management plan and submit the key risk indicator report to ensure the specified risk management in line with the changing situations.

4. Establish a Working Group on Risk Management

The Risk Management Working Group consists of each specialist performing the duties in each business unit as specified below:

1. Coordinate to adhere the policy and system upon the risk management into the operations of each division and department.
2. Determine, analyze, assess, and manage risks.
3. Review report of the risk management to ensure the sufficient and appropriate risk management.
4. Monitor and report the status of risk management plan.
5. Encourage the risk management practices.
6. Support the Risk Management Committee in performing its functions.

According to the above roles and duties, the Risk Management 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 expects the consistent development which would lead the Company and its subsidiaries to the achievement as the business plan determined. This is considered to build and maintain the value of the organization to further deliver to the shareholders and stakeholders of the Company and its subsidiaries.



(Mr. Anant Tangtongwechakit)

Chairman of the Risk Management Committee

Report of the Nomination and Compensation Committee

Report of the Nomination and Compensation Committee

To: All shareholders of Buriram Sugar Public Company Limited,

According to the Board of Directors' meeting of Buriram Sugar Public Company Limited No. 7/2016, there was a resolution to appoint the Nomination and Compensation Committee consisting of 3 members: Mrs.Seenual Tasanapant, an independent director, is the Chairman of the Nomination and Compensation Committee, Miss Chittima Tangtrongwechakit and Mr. Adisak Tangtrongweachakit, company directors, are the directors of the Nomination and Compensation Committee.

In 2017, the Nomination and Compensation Committee had 2 meetings. The meeting attendance of the Nomination and Compensation Committee is as follows;

Name		Number of Attendance
1.	Mrs. Seenual Tasanapant	2/2
2.	Miss Chittima Tangtrongwechakit	2/2
3.	Mr. Adisak Tangtrongweachakit	2/2

The Nomination and Compensation Committee has accomplished the duties as assigned by the Board of Directors, and in compliance with the charter of the committee. In 2017, a summary of the important matters performed by the Nomination and Compensation Committee are as follows;

Nomination

The Nomination and Compensation Committee has performed duties to select suitable candidates to replace a company director whose position is vacated upon the expiration term of service in consideration of proper qualifications, education, knowledge, expertise, skill, competence, experience in related business of the company, leadership, vision, as well as righteous career background, integrity and ethics in line with the good corporate governance, and the ability to dedicate enough time for their responsibilities, including no characteristics prohibited by laws, articles of association and/or related regulations. Thus, the independent directors have to possess the qualified independence pursuant to the notification of the Securities and Exchange Commission, the independence criteria for the Board of Directors, the definition of the independent directors, and other specified requirements.

In addition, the company also applies the board skill matrix to decide the qualifications to be sought after, with consideration given to the necessary and missing skills to complement the Board of Directors' composition to ensure the effective business operations. The company has also provided

opportunity for minor shareholders to participate in nominating candidates to be appointed as a company director for a period of 3 months in advance. In 2017, none of the shareholders nominated any candidate to be considered as a company director. This was notified in the Board of Directors' and shareholders' meeting prior to the approval for nominating a candidate to replace a company director whose position is vacated upon the expiration term of service.

In order to enhance the work efficiency of the Board of Directors and sub-committees, the Nomination and Compensation Committee has considered and determined the annual training plan, designated the self-assessment forms for the Board of Directors, sub-committees, and managing director in line with the anti-corruption policy and the good corporate governance principles of the company and the Securities and Exchange Commission. Thus, the disclosure of such training attendance and self-assessment results is found in the 2017 annual report and Form 56-1 in 2017.

Compensation

The Nomination and Compensation Committee has a policy and criteria to determine appropriate compensation for directors, sub-committees, and senior executives in connection with individual responsibilities and performances, as well as the company performance outcomes, all these to be comparable to peer companies in similar industries/businesses. Such compensation must be appropriate to motivate their quality and work performances to achieve the company's objectives and business directions, as well as to retain those who have ability and potential according to the company's operating results and the benefit of shareholders as the first priority, and then present to the Board of Directors' and shareholders' meeting for approval respectively.

In addition, the Nomination and Compensation Committee has reviewed the charter, and assessed both the individual performance and performance as a whole on a yearly basis. The committee has performed its duties as assigned discreetly, carefully and independently in compliance with the good corporate governance to ensure the transparent procedures of nomination and compensation, and the confidence of shareholders and all stakeholders. Thus, the Nomination and Compensation Committee has disclosed the compensation of the directors, sub-committees, and senior executives in the 2017 annual report and Form 56-1 in 2017.



(Mrs.Seenual Tasanapant)

Chairman of the Nomination and Compensation Committee

Report of the Corporate Governance Committee

Report of the Corporate Governance Committee

According to the Board of Directors' meeting of Buriram Sugar Public Company Limited No. 7/2016, there was a resolution to appoint the Corporate Governance Committee consisting of 3 members: Mrs. Seenual Tasanapant, an independent director, is the Chairman of the Corporate Governance Committee, Miss Chittima Tangtrongwechakit and Mr. Adisak Tangtrongweachakit, company directors, are the directors of the Corporate Governance Committee.

In 2017, the Corporate Governance Committee had 2 meetings. The meeting attendance of the Corporate Governance Committee is as follows;

Name		Number of Attendance
1. Mrs. Seenual	Tasanapant	2/2
2. Miss Chittima	Tangtrongwechakit	2/2
3. Mr. Adisak	Tangtrongweachakit	2/2

The Corporate Governance Committee has performed its duties and responsibilities assigned by the Board of Directors which are stipulated in the charter of the committee. The committee is responsible for overseeing that the company's business operations are conducted, as well as directors, executives, management and employees perform their duties, in compliance with the good corporate governance principles, code of conduct, and anti-corruption policy in order to operate the business with transparency, auditability, fairness and taking all stakeholders into account. This, in turn, will be a solid foundation for its sustainable growth. In 2017, the operations on this issue are summarized as follows;

- The Charter of the Corporate Governance Committee, the Board of Directors, Executive Board, and the scope of duties of the managing director were reviewed in order to be used as a guideline in performing such duties as appropriate in the current situation or business environment, and in compliance with the good corporate governance and anti-corruption policy.

- The company's good corporate governance and code of conduct handbook was established to ensure the compliance with the guidelines for "the principles of good corporate governance for listed companies in 2012" by the Stock Exchange of Thailand. Regarding the Corporate Governance Code for listed companies 2017 (CG Code) specified by the Securities and Exchange Commission, the company recognizes the importance of, and is on the progress of study for its further adjustment and conformance to be suitable for the company's nature of business.

- The assessment of the quality on holding the Annual General Meeting of Shareholders in 2017 (AGM Checklist) by Thai Investor Association and the Securities and Exchange Commission, the company received 98 out of 100 scores.

- On account of overseeing and promoting the company and its personnel to be in compliance with the principles of good corporate governance, this led to the result of receiving 87%, on the level of “very good” under the project of the Assessment of Corporate Governance Report of Thai Listed Companies (CGR) in 2017 by Thai Institute of Directors (IOD).

- The company has overseen and promoted its personnel to comply with the anti-corruption policy. Besides, the company has the Declaration of Intent-Collective Action Coalition Against Corruption (CAC) on March 2016 to ensure a clear compliance adhered to the organizational culture. In addition, the internal auditor has assessed the internal control system, working procedures, and other significant policies for anti-corruption measures. More details are disclosed in Part 2 item no. 11 Internal Control and Risk Management in this annual report and Form 56-1 in 2017. Thus, the company has the commitment to being certified by Thailand's Private Sector Collective Action Coalition Against Corruption within 2018.

- The consideration and oversight have been carried out concerning the whistleblowing and suggestions issued by stakeholders via the specified whistleblowing channels: suggestion box and postal mail, directly to the Chairman of the Corporate Governance Committee, or the internal audit office manager. Such channels can be found in the company's website www.buriramsugar.com, and in the good corporate governance handbook. Consequently, there was no any whistleblowing issue or suggestion received from stakeholders in 2017.

The Corporate Governance Committee believes that the company has conducted its business operations in accordance with the principles of good corporate governance. The committee's commitment is to further enhancing the company's corporate governance on a regular basis, which is the key factor to promote the effective business operations, as well as encouraging the company to earn trustworthiness and confidence of all stakeholders. Thus, more details of 2017 operations on this issue are disclosed in Part 2, item no. 9 Corporate Governance in this annual report and Form 56-1 in 2017.



(Mrs.Seenual Tasanapant)

Chairman of the Corporate Governance Committee

Internal Control System Sufficiency Evaluation

Internal Control System Sufficiency Evaluation Form		
Control Environment		
1. The organization demonstrates its commitment to the value of integrity and ethics.		
Question	Yes	No
1.1 The Board of Directors and management set principles of integrity and operations code of conduct which are being practiced in the following area:		
1.1.1 Daily routines and decisions making;	✓	
1.1.2 Treatment of business partners, customers and third party.	✓	
1.2 There are written regulations to ensure that executives and employees operates with integrity and ethics which include:		
1.2.1 Suitable code of conduct for executives and employees;	✓	
1.2.2 There are regulations forbidding the management as well as the employees from acting in the way that could cause conflicts of interests with the business and also forbids corruption which may damage the organization;	✓	
1.2.3 There is appropriate penalty in case of violation of the aforementioned regulations;	✓	

Question	Yes	No
1.2.4 All executives and employees are informed of the aforementioned regulations and penalties. For example, they are included in the orientation for new employees, the employees annually signed an acknowledgment of the regulations and penalties, the code of conduct is publicized to the employees and third parties.	✓	
1.3 There is a procedure to monitor and assess that code of conduct are being followed:		
1.3.1 Monitoring and assessment by an internal audit unit or a compliance unit	✓	
1.3.2 Self-assessment by executives and employees	✓	
1.3.3 Assessment by independent professional from outside the organization.		✗
1.4 There is a timely management when there is non-compliance in regulations on integrity and code of conduct. 1.4.1 There is a procedure that would timely identify any non-compliant action. 1.4.2 There is a procedure to timely and suitably penalize or manage the non-compliant action. 1.4.3 Actions that are in violation of principles on integrity and code of conduct are timely and suitably corrected.	✓ ✓ ✓	

2. The Board of Directors is independent from the management and has the duty to oversee and develop internal control.

Question	Yes	No
2.1 Roles and duties of the Board of Directors are set separately from that of the Management. The Board of Directors' authorities are clearly defined.	✓	
2.2 The Board of Directors oversees that there is clear and measurable business target to use as guidelines for the executives and employees' operations.	✓	
2.3 The Board of Directors oversees that the Company follows the laws and charters regarding the roles and duties of the Board of Directors and management as well as the roles of audit committee, auditor, internal auditor and the person who is responsible for the financial statements.	✓	
2.4 The Board of Directors is knowledgeable about the company's business and has the expertise that would be beneficial to the Company or able to seek advice from experts in the field.	✓	
2.5 The Board of Directors comprises suitable number of knowledgeable and reliable independent directors who can perform his/her duty independently. For example, the independent directors do not have any business relation with the Company or any other relationship that could influence their independent judgement.	✓	
2.6 The Board of Directors oversees the development and practice of the organization's internal control including the creation of control environment, risk assessment, control activities, information and communication, and the follow up.	✓	

3. The Management, under the Board of Directors' oversight, sets suitable reporting function as well as defining the commanding authorities and responsibilities so that the organization would achieve its goals.

Question	Yes	No
3.1 Top management sets an organizational structure that support the Company's goal by considering the business functions and legal requirements. There is also effective internal control. For example, there is a separation of duties in important business unit which would result in check and balance; there is an internal audit unit which reports directly to the Audit Committee; there is a clear line of report.	✓	
3.2 Top management sets up line of report by considering duties, responsibilities and communication	✓	
3.3 Roles and responsibilities are suitably defined and assigned between the Board of Directors, top executives, management and employees.	✓	

4. The organization displays its commitment to motivate, develop and maintain capable personnel

Question	Yes	No
4.1 The company has the policy and practice for recruiting, developing and retaining knowledgeable personnel and regularly reviews such policy and practice.	✓	

Question	Yes	No
4.2 There is performance evaluation process, incentives and rewards to personnel with good performance, management measure for the personnel who did not reach their targets and the process is communicated to all executives and employees.	✓	
4.3 The company has the process to timely solve or prepare for the event that the company lack knowledgeable personnel.	✓	
4.4 The company has process to recruit, develop and retain all executives and employees such as providing mentoring system or training.	✓	
4.5 The company provides succession plan for significant roles.	✓	

5. The organization appoints personnel to have duty and responsibilities on internal control in order to achieve organizational goal.

Question	Yes	No
5.1 The Board of Directors and the Management have the procedure and communication to enforce all personnel to have responsibilities for internal control and if necessary, provide corrective measure for such procedure.	✓	
5.2 The Board of Directors and the Management set indicators for performance appraisal, give suitable incentives and rewards by considering the compliance of code of conduct and the company's short-term and long-term objectives.	✓	

Question	Yes	No
5.3 The Board of Directors and the Management regularly evaluates the incentives and rewards by focusing on the connection between the success of the performance and the compliance of internal control.	✓	
5.4 The Board of Directors and the Management make sure that there is not too much pressure on each personnel duty.	✓	

Risk Assessment

6. The organization clearly defines its objectives so that risks related to the achievement of such objectives can be identified and evaluated.

Question	Yes	No
6.1 The Company can comply with generally accepted accounting standards which are appropriate to the business at that time, by showing that the transaction in the financial report exists, complete, correctly show the rights or obligations of the Company, has the right value, and is properly disclosed.	✓	
6.2 The Company defines the essence of the financial statements by considering the major factor such as the user of the financial report, the size of transaction and the business trend.	✓	
6.3 The Company's financial report truly reflects the Company's operational activities.	✓	

Question	Yes	No
6.4 The Board of Directors or the Risk Management Committee approved and communicated the risk management policy to all executives and employees. Such policy is acknowledged and practiced as a part of the organizational culture.	✓	

7. The organization identifies and analyzes all risks that may affect the achievement of the organizational objectives.

Question	Yes	No
7.1 The company identifies all risks that may affect the company's operations in organizational level, business unit level, department level, and work level.	✓	
7.2 The company analyzed all internal and external risk factors including strategic risk, operational risk, reporting risk, rule and regulation compliance risk and technological risk.	✓	
7.3 All levels of management are involved with risk management.	✓	
7.4 The company evaluate the risk by considering the chance of occurrence and the effect that may occur.	✓	
7.5 The company has the measure and operation plan to handle risk by either accepting, reducing, avoiding or sharing risks.	✓	

8. The organization considers the chance of fraud while assessing risks that may affect the achievement of organizational objectives.

Question	Yes	No
8.1 The company evaluates the chance of fraud, covering all type of fraud including the faultily financial report, assets loss, corruption, management override of internal controls, the change of important information in report, wrongly acquisition or disposition of property, etc.	✓	
8.2 The company reviewed its operational target by considering the possibility of the target achievement as well as considering that the incentive or rewards given to employees would not instigate wrong doing. For example, the sale goal is not set unreasonably high that would motivate employees to give false sale figure, etc.	✓	
8.3 The Audit Committee has considered and questioned the Management regarding the chance of fraud and the prevention or correction measure.	✓	
8.4 The company has communicated with all employees so that they understand and comply with existing policies and guidelines.	✓	

9. The organization is able to identify and evaluate changes that could affect the internal control system.

Question	Yes	No
9.1 The company evaluates external changes that may affect the operations, internal control, and financial report and defines adequate measures to handle such changes.	✓	
9.2 The company evaluates the change in business model that may affect the operations, internal control and financial statements and define suitable measure in response to such change.	✓	
9.3 The company evaluates the change of the organization leader which may affect business operation, internal control, financial statements and defines suitable measure in response to such change.	✓	

Control Activities

10. The organization has control policy which would mitigate risks that would affect the achievement of organizational objectives to an acceptable level.

Question	Yes	No
10.1 The company's control measure is suitable to the risk and the organization's unique condition such as environment, the complexity of work, scope of work and other specific condition.	✓	

Question	Yes	No
<p>10.2 The company has written internal control procedure that appropriately covers all procedure such as policy and regulation on financial transaction, procurement, general management, and defines clear authorization and level of approval for each level of management in order to prevent fraud. For example, the size of budget and the level of approval for each management level, the procedure for investment approval, procurement and seller selection procedure, the record of buying decision details, procedure for releasing tools and equipment. There are also the following procedures:</p> <p>10.2.1 The record of major shareholder, directors, management and related person including related person, in order to monitor and review related transaction or transaction that may cause conflict of interest. Such record should also be regularly updated.</p> <p>10.2.2 In the event that the company approves a transaction or enters into long-term contract with related person such as purchase and sale of goods, lending, guaranteeing; the company has monitors that all conditions are kept during the time the contract is effective. For example, monitoring that the debt is paid in due time and the contract is reviewed for suitability, etc.</p>	<p>✓</p> <p>✓</p>	
<p>10.3 The company sets up suitable varieties of internal control namely manual and automated control or the prevention and monitoring control.</p>	<p>✓</p>	

Question	Yes	No
10.4 The company defines internal control throughout all level in the organization namely the company's group, business unit, function, department, division or process	✓	
10.5 The company completely separates 3 following responsibilities from one another in order to have check and balance: (1) Approving duty (2) Recording accounting transaction and information and (3) Storing assets	✓	

11. The organization uses technology to select and develop general control activities in order to support its objectives.

Question	Yes	No
11.1 The company should identify the connection between the use of information technology in operations and the general control of the information technology system.	✓	
11.2 The company should define suitable control for technology system fundamental.	✓	
11.3 The company should define suitable security control for technology system.	✓	
11.4 The company should define suitable control for the procurement, development and maintenance of the technology system.	✓	

12. The Company sets up control activities through policy which specified its expectation and practice procedure so that the policy can be put to practice

Question	Yes	No
12.1 The company has strict policy to monitor that the transaction of the major shareholder, director, management or related person is go through approval process as defined in the company's articles of association, rules and regulations of the Stock Exchange of Thailand, the Security and Exchange Commissions, etc. in order to protect the company's benefit against the use for personal gain.	✓	
12.2 The company has a policy that a transaction must be approved by the person who has no personal interest in such transaction.	✓	
12.3 The company has the policy to approve transaction by considering the company's utmost benefit and consider the transaction on at arms' length basis.	✓	
12.4 The Company has the process to monitor the performance of subsidiaries or associates including setting guidelines to the person who is appointed as a director or executive in the subsidiaries or associates. <i>(If the company does not have subsidiaries or associates, the company does not have to answer this question)</i>	✓	
12.5 The company sets the role and responsibilities that the executives and the employees are to implement the policy in their operations.	✓	
12.6 The company's policies and processes are suitably implemented by capable personnel including the process of operation correction.	✓	

Question	Yes	No
12.7 The company reviews its policy and process of practice on a regular basis.	✓	

Information & Communication

13. The organization has related and quality information to support the goal for internal control

Question	Yes	No
13.1 The company specifies the qualified and related information that are required for its operation from both in and outside of the organization.	✓	
13.2 The company considers the cost and benefit as well as the quantity and correctness of the information.	✓	
13.3 The company provides the Board of Directors with sufficient information for their decision making such as the detail of the proposed agenda, the reasons, the effect to the company and other alternatives.	✓	
13.4 The company provides the meeting notice or meeting documents that contain necessary and sufficient information for the directors' consideration before the meeting at least for the minimum requirement of the law.	✓	

Question	Yes	No
13.5 The company provides detailed minutes of Board of Directors' meeting so that the each director's performance can be reviewed. For example, record of directors' question, opinion, comment on the considered matters; the opinion of the directors who did not approve the proposed agenda and his/her reason, etc.	✓	
13.6 The company has the following actions: 13.6.1 Filing and categorizing all important document 13.6.2 In the event that the auditor or the internal auditor reports about flaws in internal control, such flaws must be corrected.	✓	✗ The company will amend the policy and is on the process of rectifying the deficiencies on the internal control of the company according to the auditor's or internal auditor's suggestions with completeness.

14. The organization communicates information within the organization including the purpose and the responsibility for necessary internal control system so that the internal control could be conducted as planned.

Question	Yes	No
14.1 The company has effective internal information communication process and has appropriate communication channel to support internal control.	✓	

Question	Yes	No
14.2 The company regularly reports important information to the Board of Directors and the Board of Directors has the access to the information source that is necessary to its work or required revision. For example, defining the contact center for information in order to search for information other than one that the Board received from the Management, including requesting information from auditor or internal auditor, the meeting between the Board of Directors and the Management as required by the Board of Directors, the meeting between the Board and the Management outside of the Board meeting, etc.	✓	
14.3 The company provides special channel or secret channel so that its personnel can securely report information or clue regarding fraud or corruption (whistle-blower hotline) to the company.	✓	

15. The organization has communicated with external agencies regarding the issues that may affect its internal control.

Question	Yes	No
15.1 The company has the process for the effective information communication to stakeholders outside the organization as well as appropriate communication channels to support internal control such as providing investors relation officers or complaint center, etc.	✓	
15.2 The company provides special channel or secret channel so that the stakeholders outside the organization can securely report information or clue regarding fraud or corruption (whistle-blower hotline) to the company.	✓	

Monitoring Activities

16. The organization monitors and assesses its internal control to ensure that the internal control is thoroughly and appropriately conducted.

Question	Yes	No
16.1 The Company provides a process to monitor the compliance with the code of conduct and prohibited the management and employees from conducting themselves in a manner is likely to cause conflicts of interests, such as assigning each unit to monitor the operations and report to their supervisor or assigning the internal audit unit to monitor the operation and report to the Audit Committee, etc.	✓	
16.2 The Company reviews the internal control system through self-assessment and/or independent assessment by an internal auditor	✓	
16.3 The frequency of monitoring and assessment is suitable for the company's change.	✓	
16.4 The internal audit system is monitored and assessed by knowledgeable personnel.	✓	
16.5 The result of internal audit is reported directly to the Audit Committee.	✓	
16.6 The company encourages the internal auditor to follow the International Standards for the Professional Practice of Internal Auditing (IIA).	✓	

17. The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action,



[illegible]

Awards and Quality Certifications


Buriram Sugar Public Company Limited


Awards/Certificates	Given/Certified by	Descriptions
Certificate of Benefits Administration to the Ministry of Education in 2017	Ministry of Education	Certificate given to an organization or other agency supporting the education.

Buriram Sugar Factory Company Limited

Awards/Certificates	Given/Certified by	Descriptions
ISO 9001:2015 – Quality Management System 	SGS (Thailand) Company Limited	To guarantee the international standard of the 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 technics and machines in order to generate the product reliability and safety, particularly for food and drugs with the highest standard.



Awards/Certificates	Given/Certified by	Descriptions
<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>
<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>

Awards/Certificates	Given/Certified by	Descriptions
The Quality Standard of Plant Product Factory Certificate	Department of Agriculture, Ministry of Agriculture and Cooperatives	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.
The Quality Standard of Agricultural Processing Factory Certificate	Department of Agriculture, Ministry of Agriculture and Cooperatives	To certify the quality standard of the agricultural processing factory in order to issue the phytosanitary certificate.
Environmental Good Governance Award 	Office of The Cane and Sugar Board	Buriram Sugar Factory Co., Ltd. has the commitment to operating 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 conservation and management to properly allocate the resources to community. Besides, it also provides the communication channels to receive comments from stakeholders to improve as suggested including perform corporate social responsibility fairly.

Awards/Certificates	Given/Certified by	Descriptions
<p>Green Industry – Level 2 (Green Activity)</p> 	Ministry of Industry	To certify the organization's improvement of the environmental scheme in order to decrease the negative impact on the environment.
<p>Green Industry – Level 3 (Green System)</p> 	Ministry of Industry	To certify the systematically environmental management.
<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.

Awards/Certificates	Given/Certified by	Descriptions
<p>Carbon Footprint Reduction Label Scheme Certification 2016-2020</p> 	<p>Ministry of Natural Resources and Environment, and Thailand Greenhouse Gas Management Organization (Public Organization)</p>	<p>To certify the reduction of greenhouse gas emissions from production process</p>
<p>Food Safety Certification (Food and Drug Administration)</p>	<p>Buriram Provincial Public Health, Ministry of Public Health</p>	<p>To certify the quality of sugar product under the brand “Key Brand Sugar” and “BRUM”</p>
<p>Thai Industrial Standard Sugar Product Certification (TIS 56-2552)</p>	<p>Thai Industrial Standards Institute, Ministry of Industry</p>	<p>To certify that its products’ quality and standard pursuant to the regulations of the Ministry of Industry.</p>
<p>Halal Food Certification</p> 	<p>The Central Islamic Committee of Thailand</p>	<p>To certify that its products are not against the Islamic dietary principles.</p>

Buriram Sugarcane Research and Development Company Limited

Awards/Certificates	Given/Certified by	Descriptions
 <p>Mr. Jorm Chareonsiri</p> <p>Excellent sugarcane farmer in 2017</p> <p>The winner prize on excellent management of quality sugarcane producing factor in kind of soil and fertilizer management in Group 1 (the planting area of 1-59 Rai).</p>	<p>Office of The Cane and Sugar Board</p>	<p>Prize given to knowledgeable and expertise sugarcane farmers relating to soil and fertilizer management, soil adjustment with organic materials, knowledge adopted and applied to manage soil and fertilizers.</p>
 <p>Mr. Yord Thongchit</p> <p>Excellent sugarcane farmer in 2017</p> <p>The 1st runner-up prize on excellent sugarcane products and quality in Group 1 (the planting area of 1-59 Rai).</p>	<p>Office of The Cane and Sugar Board</p>	<p>Prize given to sugarcane farmers generating sugarcanes with the most quality based on the sugarcane producing improvement adhered to the academic technics, harvesting practices to maintain the most qualified sugarcanes, and sugarcane producing management with effectiveness.</p>

Awards/Certificates	Given/Certified by	Descriptions
 <p>Mr. Sompong Saenpadcha</p> <p>Excellent sugarcane farmer in 2017</p> <p>The 1st runner-up prize on sugarcane farming management with safety and eco-friendly environment practices in Group 1 (the planting area of 1-59 Rai).</p>	Office of The Cane and Sugar Board	Prize given to sugarcane farmers who carry on the sugarcane farming integration management ranging from soil and water conservation, sugarcane pest management with biological control, safety management of oneself and environment, and soil conservation with fresh-cutting sugarcanes not removing leaves.

Buriram Energy Company Limited

Awards/Certificates	Given/Certified by	Descriptions
<p>Thailand Energy Awards 2017</p> 	Department of Alternative Energy Development and Efficiency (DEDE), Ministry of Energy	The 1 st runner-up award on the cogeneration power plant.
<p>ASEAN Energy Awards 2017</p> 	35 th ASEAN Ministers on Energy Meeting (35 AMEM), Philippines	The winner award on the cogeneration power plant.

Awards/Certificates	Given/Certified by	Descriptions
Green Industry – Level 3 (Green System)	Ministry of Industry	To certify the systematically environmental management
Green Industry – Level 3 (Green Activity)	Ministry of Industry	To certify the organization's improvement of the environmental scheme in order to decrease the negative impact on the environment.

Key Brand Fertilizer Company Limited

Awards/Certificates	Given/Certified by	Descriptions
Product Certification – Quality of Organic Fertilizer Tablets (Grade 2) No. 11150//2017 	Land Development Department, Ministry of Agriculture and Cooperatives	To certify that Key Brand Fertilizer Company Limited has implemented the agricultural producing factors according to the standards and quality requirements.
Product Certification – Quality of Organic Fertilizer Tablets (Grade 2) No. 11192/2017 	Land Development Department, Ministry of Agriculture and Cooperatives	To certify that Key Brand Fertilizer Company Limited has implemented the agricultural producing factors according to the standards and quality requirements.



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