



# ANNUAL REPORT 2019

Toward Sustainable  
Growth



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## Message to Shareholders



Dear All Shareholders,

For the past five decades, Buriram Sugar Group has determined to build its strength sustainably, simultaneously to encourage the competitions in Thailand which mainly driven by agriculture to reach their full potential by applying the modern technology and innovation in agriculture products processing to create higher value of the agricultural products.

Although in 2019, the price of sugar in global market has currently fallen, it was widely advised that the product would be lower in term of quantity than the customers' demand for five to seven

million tons in the 2019/2020 crop year, the sugar stock continue to stay at eighty million tons. This would require time to resolve this situation of over-supply and continue pressure on sugar prices of the movement of 12.8 to 13 cents/pound. However, the rise is to be expected in the third and possibly fourth quarter in the following year. The assumption would take in account to the change in customers' behavior and decreased sugar consumption. They were appeared to become more aware of their health, therefore, take some precautions in their diets. This factor has, in turn, driven the industry

to prefer the sweetener. In addition, the world economics due to the uncertainty on trade war and the plunging oil price, have been stepping down in particular the manufacturer as well as the exporters contributing to the similar trend of the commodity pricing.

According to the aforementioned factors of economic and the demand and supply of the sugar, the company's operation result of 2019 earn the revenue from providing goods and services in total of 6,051.90 million Thai Baht and the net loss of 511.71 million Thai Baht. The key element for this trend were the investment in refined sugar, the investment of falling film evaporator and the Bagasse packaging's projects have not yet fully redeemed. While the company's expenditure has been steady for example the depreciation, the managing and financial costs to create diversity in business and lessen the risk exposure from the fluctuation in the pricing. The expense also included the offering of the alternatives to its original products and the usage of decomposable packaging on grounds of the environmental awareness.

Although, the consolidated revenue of the year 2019 has slightly decreased, the company continued to put its focus on the sustainable development, given that there are several consideration to business dynamics. These would cover benefits of internal and external stakeholders, modern technology and upcoming innovation supporting the process of cultivation and manufacturing, including provide knowledge to the sugarcane farmers in respect of the mission - ***"Sugarcane Agriculturist Businessmen"***. This would allow this profession to be stable, make ends meet, and pave the way for a successful company in the long run.

In regards of the biomass power plant in the

previous year, the power plant group earned revenue from the operation in amount of 893.05 million Thai Baht which is 60.46% higher than 2018. Moreover, Buriram Power Co., Ltd. ("BPC"), a subsidiary company has achieved ***Energy Globe National Award 2019*** as the biomass power plant on Friday 20<sup>th</sup> September 2019 from Mr. Gunther Sucher, the Consul of Commerce, at Australian Embassy of Thailand. Energy Globe National Award is today's most prestigious environmental awards. It is awarded annually to projects focusing on sustainable development, with participating 187 countries.

Additionally, the Group, with consolidation of SEW, intend to produce their decomposable packaging made from Bagasse for sale within December 2019 or conveniently January 2020. The collaboration is to add value to their existing materials of sugar production, extend their potential and minimize their exposure to solely depending on sugar

For Buriram Sugar Group, the social and environmental responsibility has long been a priority. Their role and responsibilities are linked to the growers, neighborhood and employees' well-being. Thus, the development is based on the respect for the animals and the reconciliation to the community. The company has collaborated with The Zoological Park Organization under the Royal Patronage of H.M. The King, True Corporation Public Company Limited and Asia Aviation Public Company Limited on the construction of the Eastern Sarus Crane Reservation & Learning center in Buriram Province. The cranes were listed as extinct more than 50 years ago. This project also makes the area as a natural learning resource for juveniles and all in general and attract opportunities to the surrounding communities sustainably for example



organic Mali farming project promoting the career opportunities in agriculture to local farmers in the Non Klang areas as a mean to generate more income and empower the community since the social responsibility is the key to its business success for sustainable development, together with improving the quality of life and creating happiness for sugarcane farmers, people in the surrounding community, and all employees.

On account of overseeing and monitoring the compliance with the good corporate governance, this led to the result of being assessed as *“Excellent” with the average score of 95% which is higher than the average score of the overall listed*

*companies of the Stock Exchange of Thailand which were at 82% under the project of the Assessment of Corporate Governance Report of Thai Listed Companies (CGR) in 2019* by Thai Institute of Directors (IOD).

Lastly, on behalf of the Board of Directors, the executive committee and individual employee, we would therefore like to express its sincere gratitude to all clients, shareholders, business partners, stakeholders and all other relevant parties for their continued contribution and support toward our business, with a fervent wish that everyone will go stronger with the growth of the business and society altogether sustainably.



**(Mr. Prachuab Chaiyasan)**

Chairman of the Board of Directors



**(Mr. Anant Tangtongwechakit)**

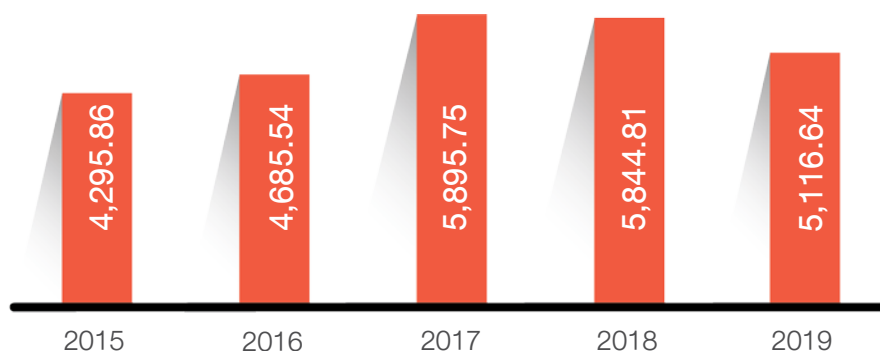
Chairman of Executive Committee  
and Managing Director

## Financial Ratio

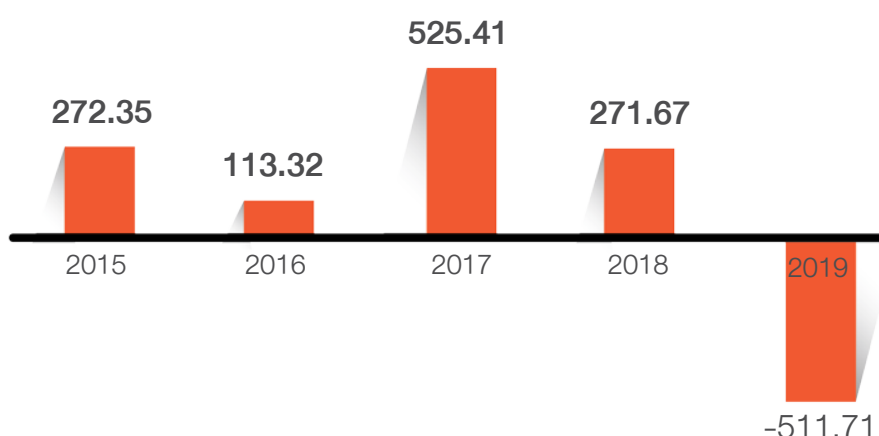
	2017	2018	2019
<b>Liquidity ratio</b>			
Current ratio (times)	1.04	0.73	0.52
Quick ratio (times)	0.63	0.40	0.29
Current cash flow ratio (times)	0.14	- 0.04	0.16
Accounts receivable turnover (times)	22.36	17.48	12.99
Average collection period (day)	16.10	20.60	27.71
Inventories receivable turnover (times)	5.39	3.76	3.97
Average selling period (day)	66.76	95.74	90.60
Accounts payable turnover (times)	6.72	5.88	5.39
Payment period (days)	53.59	61.24	66.74
Cash Cycle (day)	29.27	55.10	51.57
<b>Profitability ratio</b>			
Gross profit (%)	22.86	18.85	10.35
Operating profit (%)	20.11	17.77	5.01
Other profit (%)	2.63	4.94	2.57
Operating cash flow turnover (%)	40.74	- 12.23	254.80
Net Profit Margin (%)	8.91	4.65	- 10.00
Net profit (%)	0.65	0.33	- 0.63
Dividend per share	0.65	0.30	0.15
Return on equity (%)	23.02	10.86	23.46
<b>Efficiency ratio</b>			
Return on total asset (%)	6.38	2.81	5.19
Return on fixed asset (%)	16.46	10.96	3.02
Total asset turnover (time)	0.72	0.60	0.52
<b>Financialpolicy ratio</b>			
Debt to equity (time)	2.73	3.11	4.06
Interest coverage (time)	4.02	2.48	3.84
Cash basis (time)	0.20	- 0.07	1.73
Payout ratio (%)	69.23	45.45	0.24



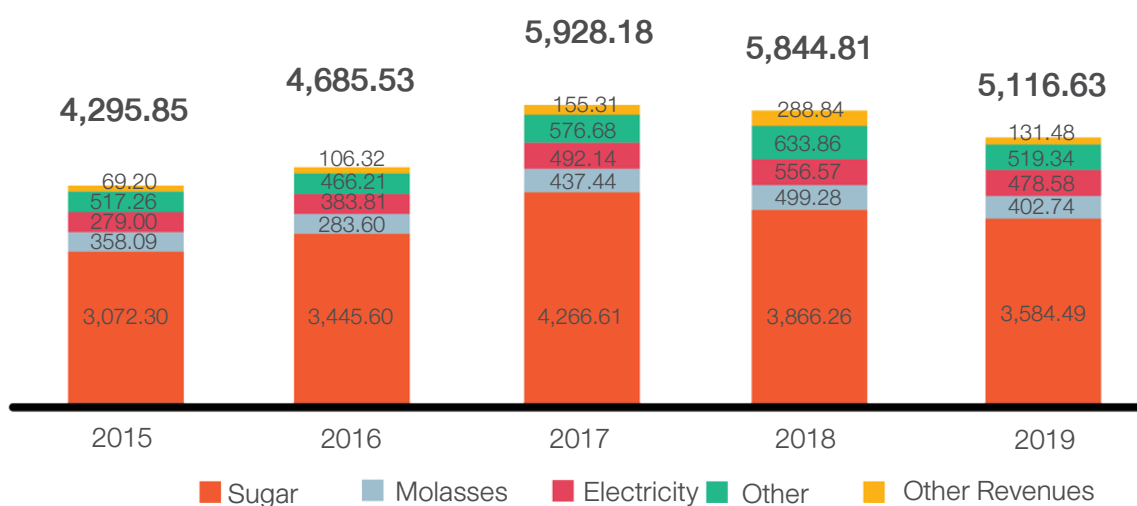
## Total Revenue (Unit: Million Baht)



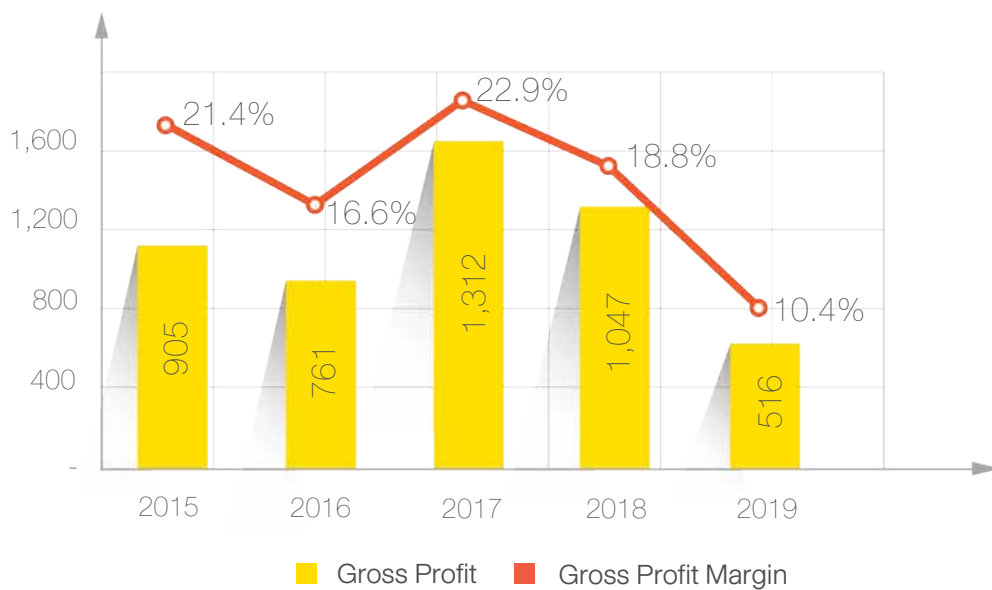
## Net Profit (Unit: Million Baht)



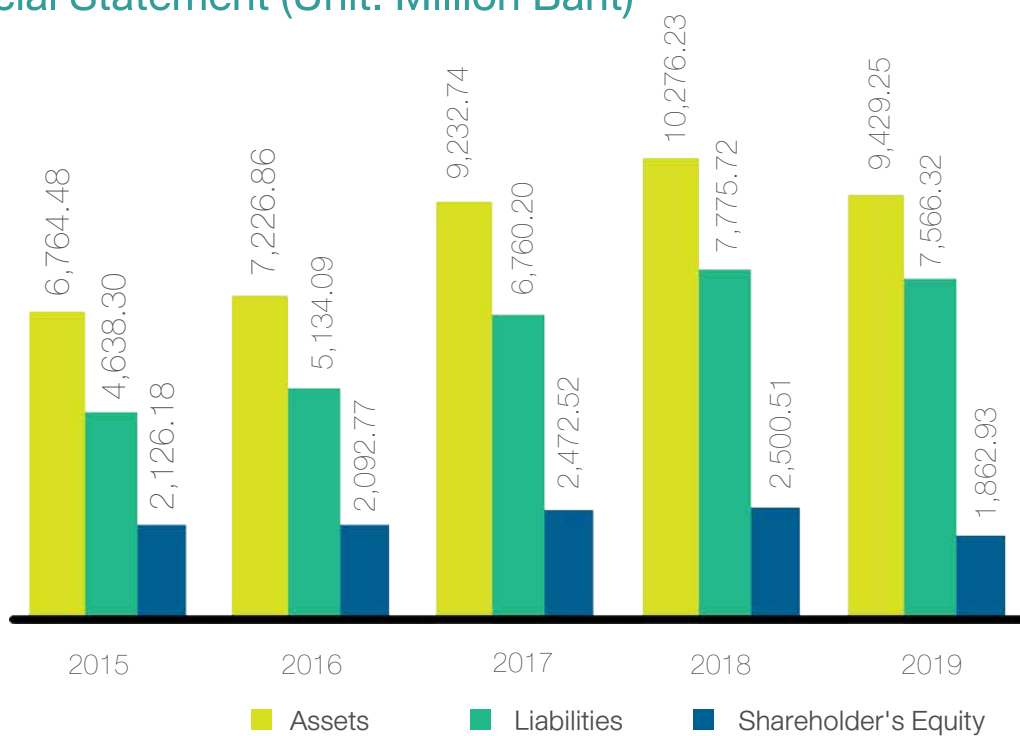
## Revenue from sales and services (Unit: Million Baht)



## Gross Profit and Gross Profit Margin (Unit: Million Baht)

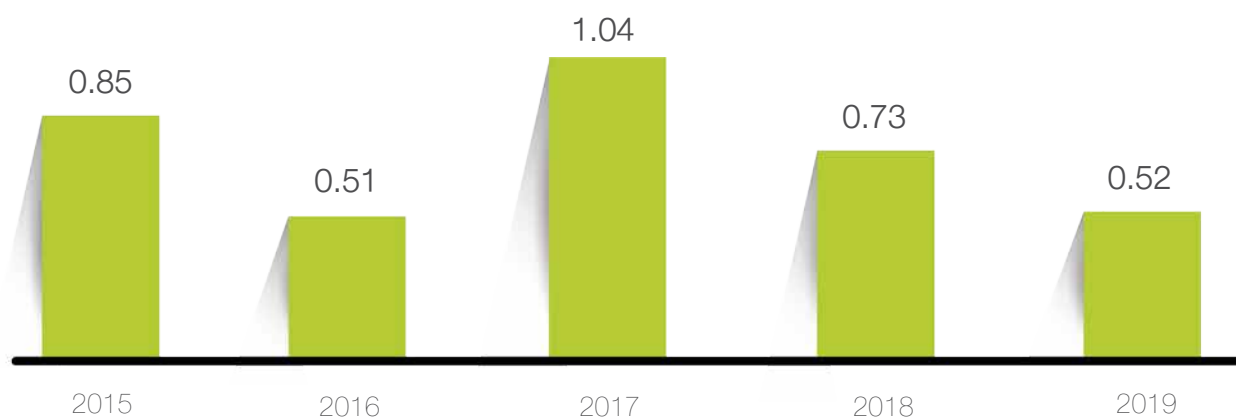


## Financial Statement (Unit: Million Baht)

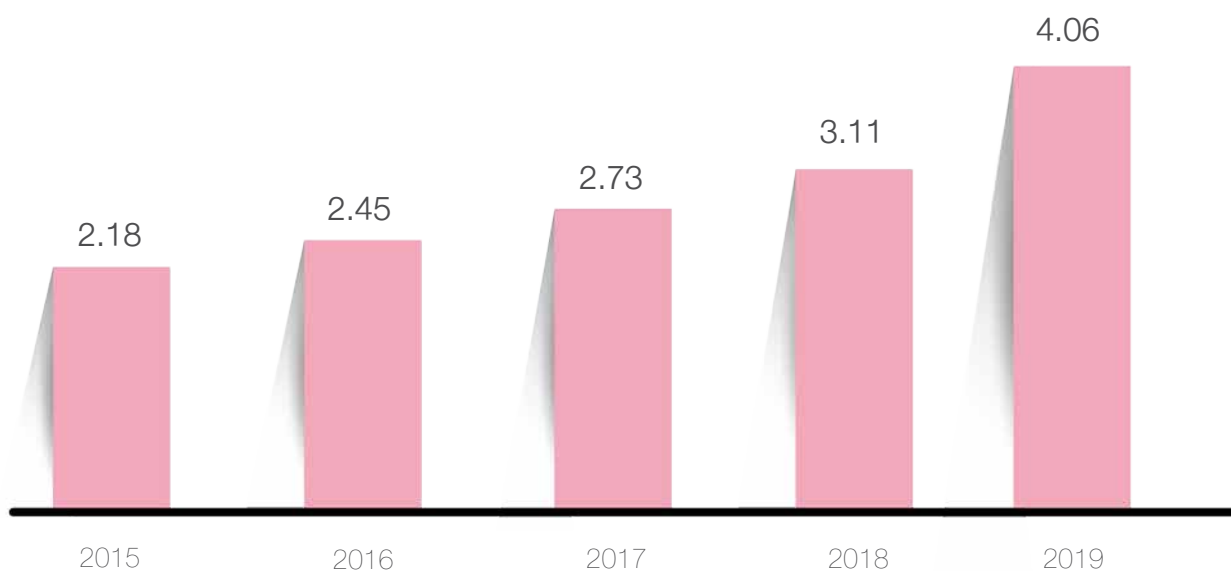




## Current Ratio



## Debt to Equity Ratio



# Business Operations Overview in 2019 (Crop Year 2018/2019)

**Cane crushing**  
2.93 million tons

**Contract farming**  
11,749 farmers



## Sugar Selling Proportion

Sugar for Export			Sugar for Domestic Sale		
85%**			15.0%**		
Asia	Africa	Others	Distributors/ Retail Shops	Modern Trade	Food Service
73.72%	11.08%	0.2%	93.6%	6.2%	0.2%

\*\*The outstanding amount of sugar is under the process of delivery and distribution.

**Planting area** 238,074 rai (6.1 rai = 1 ha)



**Sweetness** 13.6 CCS.



**Crushing unit** 23,000 tons/day



**Sugar Production** 224,200 tons



## Sales by Sugar Types



Raw Sugar and VHP

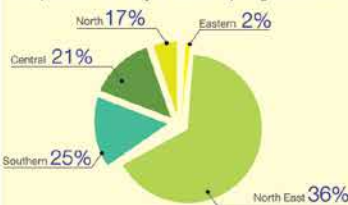


Brown Sugar

## Domestic Customers

### • Distributors •

Proportion of sugar sales by region 2019



### • Modern Trade •



### • Food Service •



**Total Capacity of Power Plants** 19.80 MW



BEC

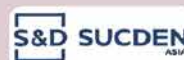


BPC



BPP

## International Customers



## Power Purchased Agreement



BEC with PEA 8 MW



BPC with PEA 8 MW



BPP with BSF 8 MW.\*  
(To support BSF's sugar factory)

## Sugar Brand



Double Keys



BRUM



## Board of Directors



6 11 7 4 8 9 10 5  
2 1 3

**1. Mr. Prachuab Chaiyasan**

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

**2. Mr. Anant Tangtongwechakit**

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

**3. Mr. Sirichai Sombutsiri**

Independent Director and Audit Committee Member

**4. Mrs. Seenual Tasanapant**

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

**5. Assoc. Prof. Dr. Djitt Laowattana**

Independent Director and Corporate Governance Committee Member

**6. Mr. Vichate Tantiwanich**

Independent Director and Nomination and Compensation Committee Member

**7. Mrs. Wanphen Punyaniran**

Director (Executive and Authorized Director)

**8. Mrs. Jirawan Pongpichitkul**

Director, Executive Committee Member and Risk Management Committee Member (Executive and Authorized Director)

**9. 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)

**10. Mr. Sarit Tangtrongwechakit**

Director, Executive Committee Member and Risk Management Committee Member (Executive and Authorized Director)

**11. Mr. Adisak Tangtrongwechakit**

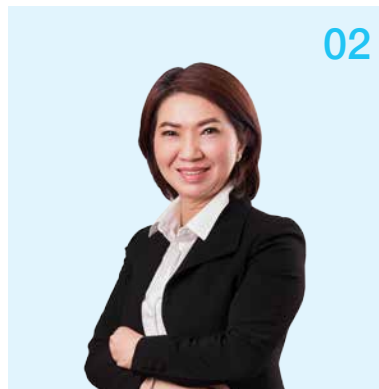
Director, Executive Committee Member, Risk Management Committee Member, Nomination and Compensation Committee Member and Corporate Governance Committee Member (Executive and Authorized Director)

## Executives



**Mr. Anant Tangtongwechakit**

Chairman of Executive Committee  
and Managing Director (Director)



**Mrs. Jirawan Pongpichitkul**

Senior Deputy Managing Director in  
Domestic Investment of Agricultural  
Business  
(Executive Committee Member and  
Director)



**Miss Chittima Tangtrongwechakit**

Senior Deputy Managing Director in  
Domestic Investment  
of Domestic Sales  
(Executive Committee Member and  
Director)



**Mr. Sarit Tangtrongwechakit**

Senior Deputy Managing Director in  
International Investment  
(Executive Committee Member and  
Director)



**Mr. Adisak Tangtrongwechakit**

Senior Deputy Managing Director in  
Domestic Investment of Energy Business  
(Executive Committee  
Member and Director)



**Mr. Pattarapong Pongsawasdi**

Deputy Managing Director in Investor  
Relations and International Affairs and  
Industrial Policy





**Mr. Pitak Chaosoun**

Deputy Managing Director in Finance  
and Operation (CFO)



**Mr. Adul Suravudhikul**

Deputy Managing Director in Financial  
Management and Chief Risk Office (CRO)



**Mr. Somyot Changyongsuwan**

Assistant Managing Director in Accounting  
(Accounting Controller)







## Board of Directors

01



### Mr. Prachuab Chaiyasan

#### Position:

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

#### Nationality: Thai

Age : 75 years old

Appointment Date: 15 October, 2012

#### Education:

- 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)
- Boardroom Success through Financing and Investment Program (BFI) Class 4/2018, Thai Institute of Directors (IOD)

#### 2019 Meeting Attendance:

Annual General Meeting of Shareholder 1/1  
Board of Directors' Meetings: 3/5  
Audit Committee's Meeting 3/5

**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.

**Shares Hold (%) :** 0.0499 % (405,000 shares)

(As of December 30, 2019/ No share held by a spouse and underage child)

#### Family Relationship Between Directors and Executives:

-None-

#### Work Experience Past 5 Years–Present

##### Position in the Company & Subsidiaries: 1 Company

2012–Present Chairman of Board of Directors (Independent Director)/ Chairman of Audit Committee  
Buriram Sugar Public Company Limited

##### Position in Listed Companies: 2 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: 3 Companies and 1 Organization:

2017–Present Director /Beston Global Food (Thailand) Co., Ltd.

2016–Present Consultant/ Thai Ethanol Manufacturing Association

2015–Present Director/ Paksong Highland Co., Ltd.

200–2017 Director/ Taiping Ethanol Co., Ltd.

##### Position in Competition/ Related to Businesses of the Company:

-None-

# 02



## Mrs. Seenual Tasanapant

### Position:

Independent Director,  
Audit Committee Member, Chairman of Nomination and  
Remuneration Committee and Chairman of Corporate  
Governance Committee

### Nationality: Thai

### Age: 74 years old

### Appointment Date: 3 October, 2014

### Education:

- 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
- Board Nomination & Compensation Program (BNCP) Class  
3/2018, Thai Institute of Directors (IOD)

### 2019 Meeting Attendance:

Annual General Meeting of Shareholder 1/1  
Board of Directors' Meetings: 5/5  
Audit Committee's Meeting 5/5

Nomination and Remuneration Committee's Meeting 2/2 Corporate  
Governance Committee's Meeting 2/2

**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.

**Shares Hold (%) :** No Share

**Family Relationship Between Directors and Executives :** -None-

### Work Experience Past 5 Years-Present

#### Position in the Company & Subsidiaries: 1 Company

2014-Present Independent Director/ Audit Committee Member /  
Chairman of Corporate Governance  
Committee / Chairman of Nomination and  
Remuneration Committee  
Buriram Sugar Public Company Limited

#### Position in Listed Companies: 1 Company

2006-Present Independent Director/ Audit Committee Member/  
Chairman of Nomination and Remuneration  
Committee  
The Steel Public Company Limited

#### Position in Other Limited Companies/ Organizations: 1 Company

2012-2016 Director  
Taiping Ethanol Co., Ltd.

#### Position in Competition/ Related to Businesses of the Company:

-None-





03



## Mr. Sirichai Sombutsiri

### Position:

Independent Director and Audit Committee Member

**Nationality:** Thai

**Age:** 66 years old

**Appointment Date:** 10 January, 2013

### Education:

- Bachelor of 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

### 2019 Meeting Attendance:

Annual General Meeting of Shareholder: 1/1  
Board of Directors' Meetings: 5/5  
Audit Committee's Meeting: 5/5

**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.

**Shares Hold (%) :** 0.0499 % (405,000 shares)

(As of December 30, 2019 No share held by a spouse and underage child)

### Family Relationship Between Directors and Executives:

-None-

### Work Experience Past 5 Years-Present

#### Position in the Company & Subsidiaries: 1 Company

2013-Present Independent Director/ Audit Committee Member  
Buriram Sugar Public Company Limited

#### Position in Listed Companies: 4 Companies

2009-2013 Vice President of Business Customer  
Siam Commercial Bank Public Company Limited

2009-Present Independent Director  
OHTL Public Company Limited

2014-Present Chairman of Executive Committee  
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-

# 04



## Assoc. Prof. Dr. Djitt Laowattana

### Position :

Independent Director and Corporate Governance Committee Member

**Nationality:** Thai

**Age:** 58 years old

**Appointment Date:** 25 April 2018

- Bachelor of Engineering (Honor), King Mongkut's University of Technology Thonburi
- Precision Mechanics and Robotics, Kyoto University, Japan
- Ph.D. in Mechanics Engineering, Carnegie Mellon University, USA
- Certificate in Management of Technology and Innovation Massachusetts Institute of Technology (MIT), USA
- "Regulatory Skills for Directors and Senior Management of Enterprises and Public Organizations", 3/2010, Public Director Institute
- Leader Program 15/2013, Capital Market Academy
- Courses organized by Thai Institute of Directors (IOD)
  - Director Certification Program (DCP), 93/2007
  - Finance For Non-Finance Director (FN), 2008
  - Understanding the Fundamental of Finance Statement (UFS), 2008
  - Role of Chairman Program, 19/2008
  - Audit Committee Program, 29/2009
  - Monitoring Fraud Risk Management, (MFM) 1/2009
  - Monitoring Internal Audit Function, (MIA) 7/2009
  - Monitoring the System of Internal and Risk Management, (MIR) 7/2009
  - Monitoring Financial Reporting, MFR 9/2009
  - Financial Institutions Governance Program, FGP 3/2011
  - AC Hot Update

### 2019 Meeting Attendance:

Annual General Meeting of Shareholder 1/1

Board of Directors' Meetings: 5/5

Corporate Governance Committee's Meeting 2/2

**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.

**Shares Hold (%):** No Share

**Family Relationship Between Directors and Executives:** -None-

### Work Experience Past 5 Years-Present

**Position in the Company & Subsidiaries:** 1 Company

2018-Present Independent Director/ Corporate Governance Committee Member  
Buriram Sugar Public Company Limited

**Position in Listed Companies:** 2 Companies

2014-Present Independent Director  
2015-Present Chairman of Audit Committee  
2014-2015 Chairman of Corporate Governance Committee  
Gunkul Engineering Public Company Limited  
2012-2014 Technology consultant  
Siam Commercial Bank Public Company Limited

**Position in Other Limited Companies/ Organizations:** 2 Companies and 2 Organizations

2010-Present Director/ Thai Engineering Co., Ltd.  
2005-Present Confucius scholars the "Brainchild"  
Channel 3Thailand  
2004-Present Consultant  
Thai Robotics Society  
2002-Present Chairman of the Technical Committee  
ABU RoboCon (Thailand)

**Position in Competition/ Related to Businesses of the Company:**

-None-

05



## Mr. Vichate Tantiwanich

### Position :

Independent Director, Audit Committee Member and Nomination and Remuneration Committee Member

**Age:** 58 years old

**Appointment Date:** 25 April 2018

### Education:

- Bachelor Degree in Economics, Chulalongkorn University
- MBA, Finance & Marketing University of Hartford Connecticut, U.S.A.
- Capital Market Academy Course, Class 1
- Leadership for Change Course, Class 1
- Top Executive Program in Commerce and Trade (TEPCOT), Class 3
- Diploma, The National Defense Course of the National Defense College, Class 56
- DCP2 Fellow Member, Class 2, Thai Institute of Directors (IOD)

### 2019 Meeting Attendance:

Annual General Meeting of Shareholder 1/1  
Board of Directors' Meetings: 5/5  
Nomination and Remuneration Committee's Meeting 2/2  
Audit Committee's Meeting 0/0  
(\*Due to be appointed as Audit Committee Member on 18 December 2019 then he will attend the committee meeting first time in 2019.)

**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.

**Shares Hold (%) :** No Share

**Family Relationship Between Directors and Executives:** -None-

### Work Experience Past 5 Years–Present

**Position in the Company & Subsidiaries:** 1 Company

2018–Present Independent Director/ Audit Committee Member/ Nomination and Remuneration Committee Member/ Buriram Sugar Public Company Limited

**Position in Listed Companies:** 4 Companies and 2 Companies (Retired)

2018–Present Chairman of the Board of Directors/ Independent Director/ Chairman of Audit Committee/ Chairman of Nomination and Remuneration Committee  
Asia Aviation Public Company Limited  
2017–Present Independent Director / Chairman of Audit Committee  
JWD Info Logistics Public Company Limited  
2017–Present Chairman of the Board of Directors/ Independent Director/ Chairman of Audit Committee  
Thai Enger Company Limited  
2012–Present Independent Director/ Risk Management



	Committee Member	2017-2019	Chairman of the Board of Directors/ Independent Director/ Chairman of Audit Committee
	Phatra Leasing Public Company Limited		GMO-Z com Security (Thailand) Limited
2012-2018	Senior Vice President	2017-2018	Director
	Thai Beverage Public Company Limited		National Innovation Agency
2012-2015	Independent Director / Chairman of Audit Committee	2017-2018	Independent Director/ Chairman of Marketing and Public Relations Committee
	M Pictures Entertainment Public Company Limited		Industrial Estate Authority of Thailand
<b>Position in Other Limited Companies/ Organizations:</b> 9 Companies and 15 Organizations			
2019-Present	Director-Financial expert	2005-2017	Director
	National Cyber Security Committee of Ministry of Digital Economy and Society	2008-2017	Advisor
2018-Present	Chairman of Executive Board	2010-2017	Chairman of Executive Committee
	CAC Company Limited (Casean)		Creative Entrepreneurship Development Institute, Bangkok University
2018-Present	Chairman of the Board of Directors/ Independent Director/ Chairman of Audit Committee/ Chairman of Nomination and Remuneration Committee/ Chairman of Corporate Governance Committee	2010-2017	Advisor, Market for Alternative Investment (Mai) Stock Exchange of Thailand
	Thai Air Asia Company Limited	2010-2017	Vice president
2018-Present	Advisor to the Board of Director	2012 -2017	Capital Market Academy, SET
	The Federation of Thai Industries		Director
2018-Present	Director	2013-2017	Thai Financial Planners Association
	The Chiangmai Juvenile and Family Court Foundation		Appellate Sub-committee
2018-Present	Independent Director/ Chairman of Executive Committee	2015-2017	Securities and Exchange Commission of Thailand (SEC)
	The Signature Brand Company Limited		Advisor
2017-Present	Independent Director/ Audit Committee	2015-2017	Minister of Commerce
	Wind Energy Holding Company Limited		Independent Director
2017-Present	Independent Director	2014-2015	Export-Import Bank of Thailand
	KPN Academy Company Limited		Independent Director/ Audit Committee Member
2017-Present	Advisor to the Board of Director	2013-2015	Dhanarak Asset Development Company Limited
	PMG Corporation Company Limited		IOD Advisory Committee on Research and Governance
2012-Present	Advisor to Directors of Capital Market Academy		Thai Institute of Directors
	Stock Exchange of Thailand		<b>Position in Competition/ Related to Businesses of the Company:</b>
			-None-





06



## Mr. Anant Tangtongwechakit

### Position :

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

**Nationality:** Thai

**Age:** 55 years old

**Appointment Date:** 13 September, 1988

### Education :

- 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)

- Professional Strategic Management and Professional business management for executive by Dr. Tanai Charinsarn

### 2019 Meeting Attendance:

Annual General Meeting of Shareholder 1/1  
Board of Directors' Meetings: 5/5  
Risk Management Committee's Meeting 4/4  
Executive Committee's Meeting 10/11

**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.

**Shares Hold :** 4.0788% (33,124,320 shares)

(Owned by 33,099,000 shares and Mrs. Sureewan Tangtongwechakit, spouse by 25,320 shares)

(As of December 30, 2019/ including his spouse but no share held by underage child)

### Family Relationship Between Directors and Executives:

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

### Work Experience Past 5 Years-Present

**Position in the Company & Subsidiaries:** 11 Companies  
2012-Present Chairman of Executive Committee/ Director/



	Chairman of Risk Management Committee/ Managing Director	2018-Present	Director Sugarcane Ecowar Co., Ltd.
2011-Present	Chairman of Board of Directors/ Chairman of Executive Committee/ Managing Director Buriram Sugar Factory Co., Ltd.	2019-Present	Chairman of Board of Directors BRR Logistics Management Co., Ltd.
2010-Present	Chairman of Board of Directors/ Chairman of Executive Committee Buriram Sugarcane Research and Development Co., Ltd.	<b>Work Experience Past 5 Years-Present</b>	
2005-Present	Chairman of Board of Directors/ Chairman of Executive Committee Buriram Energy Co., Ltd.	<b>Position in Listed Companies:</b> 1 Company	
2011-Present	Chairman of Board of Directors/ Chairman of Executive Committee Key Brand Fertilizer Co., Ltd.	2017-2020 (31Jan)	Independent director/ Audit committee member Thai Foods Group Public Company Limited
2011-Present	Chairman of Board of Directors/ Chairman of Executive Committee Buriram Power Co., Ltd.	<b>Position in Other Limited Companies/ Organizations:</b> 8 Companies	
2015-Present	Chairman of Board of Directors/ Chairman of Executive Committee Buriram Power Plus Co., Ltd.	1975-Present	Director Thai Sugar Producers Association
2015-Present	Chairman of Board of Directors Chamni Sugar Factory Co., Ltd.	1995-Present	Director Suriwan Enterprise Co., Ltd.
2015-Present	Chairman of Board of Directors Buriram Sugar Capital Co., Ltd.	2010-Present	Director Siphandone Bolaven Development Co., Ltd.
		2012-Present	Chairman of Board of Directors Buriram Capital Co., Ltd.
		2017-Present	Director Natural Dairy Co., Ltd.
		2018-Present	Director BR Molasses Trading Co., Ltd.
		2020-Present	Director Buriram Green Energy Co., Ltd.
<b>Position in Competition/ Related to Businesses of the Company:</b>			
- None -			

07



## Mrs. Wanphen Punyaniran

**Position:** Director (Authorized Director)

**Nationality:** Thai

**Age:** 53 years old

**Appointment Date:** 7 July, 2012

**Education :**

- 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)
- Professional Strategic Management and Professional business management for executive by Dr. Tanai Charinsarn

**2019 Meeting Attendance:**

Annual General Meeting of Shareholder 1/1  
Board of Directors' Meetings: 5/5  
Executive Committee's Meeting 11/11

**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.

**Shares Hold (%):** 4.0560% (32,939,000 shares)

(As of December 30, 2019/ no share held by a spouse and underage child)

**Family Relationship Between Directors and Executives:**

Younger sister of Mr. Anant Tangtongwechakit and elder sister of Mrs. Jirawan Pongpichitkul, Miss Chittima Tangtrongwechakit, Mr. Sarit Tangtrongwechakit and Mr. Adisak Tangtrongweachakit

**Work Experience Past 5 Years-Present**

**Position in the Company & Subsidiaries:** 2 Companies

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:** 3 Companies

2004-Present	Executive Director Borthong 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 -

# 08



## Mrs. Jirawan Pongpichitkul

**Position:** Director, Executive Committee Member, Risk Management Committee Member and Senior Deputy Managing Director (Domestic Investment: Agricultural Business) (Authorized Director)

**Nationality:** Thai

**Age:** 51 years old

**Appointment Date:** 11 November, 2010

### Education :

- 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)
- Professional Strategic Management and Professional business management for executive by Dr. Tanai Charinsarn

### 2019 Meeting Attendance:

Annual General Meeting of Shareholder 1/1  
Board of Directors' Meetings: 5/5  
Risk Management Committee's Meeting 4/4  
Executive Committee's Meeting 11/11

**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.

**Shares Hold (%):** 4.0499% (32,889,000 shares)

(As of December 30, 2019/ no share held by a spouse and underage child)

**Family Relationship Between Directors and Executives:** Younger sister of Mr. Anant Tangtrongwechakit and Mrs. Wanphen Punyaniran and elder sister of Miss Chittima Tangtrongwechakit,

Mr. Sarit Tangtrongwechakit and Mr. Adisak Tangtrongwechakit

### Work Experience Past 5 Years–Present

**Position in the Company & Subsidiaries:** 9 Companies

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

**Position in Listed Companies:** -None-

**Position in Other Limited Companies/ Organizations:** 1 Company

2012–Present	Director Buriram Capital Co., Ltd.
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**Position in Competition/ Related to Businesses of the Company:**

- None -



09



## Miss Chittima Tangtrongwechakit

### Position :

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

**Nationality:** Thai

**Age:** 49 years old

**Appointment Date:** 12 May, 1995

### Education:

- 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)
- Board Nomination & Compensation Program (BNCP) 3/2018, Thai Institute of Directors (IOD)
- Professional Strategic Management and Professional business management for executive by Dr.Tanai Charinsarn

### 2019 Meeting Attendance:

Annual General Meeting of Shareholder 1/1  
Board of Directors' Meetings: 5/5  
Corporate Governance Committee's Meeting 2/2  
Risk Management Committee's Meeting 4/4  
Executive Committee's Meeting 11/11  
Nomination and Remuneration Committee's Meeting 2/2

**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.

**Shares Hold (%):** 4.0499% (32,889,000 shares)

(As of December 31, 2019/ no share held by a spouse and underage child)

### Family Relationship Between Directors and Executives:

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

### Work Experience Past 5 Years–Present

### Position in the Company & Subsidiaries: 11 Companies

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/ Chamni Sugar Factory Co., Ltd.
2015–Present	Director/ Buriram Sugar Capital Co., Ltd.
2018–Present	Director/ Sugarcane Ecoware Co., Ltd.
2019–Present	Director/ BRR Logistics Management Co., Ltd.

### Position in Listed Companies: -None-

### Position in Other Limited Companies/ Organizations: 2 Companies

2012–Present	Director/ Buriram Capital Co., Ltd.
2018–Present	Director/ Ekachon Buriram Hospital

### Position in Competition/ Related to Businesses of the Company:

- None -



## Mr. Sarit Tangtrongwechakit

### Education:

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

**Nationality:** Thai

**Age:** 48 years old

**Appointment Date:** 25 June, 2004

- 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)
- 2 Morrow Scaler #1 by C Asean
- Professional Strategic Management and Professional business management for executive by Dr. Tanai Charinsarn
- Xponential Academy
- Adizes Institute Worldwide

### 2019 Meeting Attendance:

Annual General Meeting of Shareholder 1/1  
Board of Directors' Meetings: 5/5  
Risk Management Committee's Meeting 2/4  
Executive Committee's Meeting 11/11

**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.

**Shares Hold (%):** 4.0499% (32,889,000 shares)

(As of December 30, 2019/ no share held by a spouse and underage child)

### Family Relationship Between Directors and Executives:

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

wechakit and elder brother of Mr. Adisak Tangtrongweachakit

### Work Experience Past 5 Years–Present

**Position in the Company & Subsidiaries:** 9 Companies

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:** 5 Companies

2020–Present	Director/ Managing Director Buriram Green Energy Co., Ltd.
2010–Present	Director/ Executive Committee Member Siphandone Bolaven Development Co., Ltd.
2010–Present	Director/ 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 -



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## Mr. Adisak Tangtrongweachakit

### Position

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

**Nationality:** Thai

**Age:** 46 years old

**Appointment Date:** 25 June, 2004

### Education:

- 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)
- Board Nomination & Compensation Program (BNCP) 3/2018 Thai Institute of Directors (IOD)
- Professional Strategic Management and Professional business management for executive by Dr. Tanai Charinsarn

### 2019 Meeting Attendance:

Annual General Meeting of Shareholder 1/1  
Board of Directors' Meetings: 5/5  
Corporate Governance Committee's Meeting 2/2  
Risk Management Committee's Meeting 4/4

Executive Committee's Meeting 11/11

Nomination and Remuneration Committee's Meeting 2/2

**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.

**Shares Hold (%):** 4.0499% (32,889,000 shares)

(As of December 30, 2019/ no share held by a spouse and underage child)

### Family Relationship Between Directors and Executives:

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

### Work Experience Past 5 Years–Present

#### Position in the Company & Subsidiaries: 11 Companies

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	Director/ Executive Committee Member Buriram Sugar Factory Co., Ltd.
2010–Present	Director/ Buriram Sugarcane Research and Development Co., Ltd.
2005–Present	Director/ Executive Committee Member/ Managing Director Buriram Energy Co., Ltd.



2011-Present	Director Key Brand Fertilizer Co., Ltd.
2011-Present	Director/ Executive Committee Member/ Managing Director Buriram Power Co., Ltd
2015-Present	Director/ Executive Committee Member/ Managing Director Chamni Sugar Factory Co., Ltd.
2015-Present	Director Buriram Sugar Capital Co., Ltd.
2015-Present	Director Buriram Sugar Capital Co., Ltd.
2018-Present	Director Sugarcane Ecoware Co., Ltd.
2019-Present	Director BRR Logistics Management Co., Ltd.

**Position in Listed Companies:** -None-

**Position in Other Limited Companies/ Organizations:** 2 Companies  
and 1 Organization

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 -



## 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 including technologies, new innovations, renewable energy and the other area as well as 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, organic fertilizer, eco-friendly packaging product and bagasse pulp business, including support business; research and development and also logistics management and services 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. Nowadays, CSF is under process of making an environmental impact assessment (EIA).

**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 4 types of fertilizers which are granulated organic fertilizers, powdered organic fertilizers, granulated organic fertilizer plus chemical fertilizer 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 2018, KBF has expanded to existing market products named “Pla Bin” for distributing the fertilizers to be applied to important economic field crops such as sugarcane, rubbers, cassava, and vegetable plants, etc. Nowadays, KBF manufactures and distributes four types of fertilizer which are powdered organic fertilizers, granular organic fertilizers, granular organic fertilizer plus chemical fertilizer 3 formulas and liquid chemical fertilizer. Moreover, KBF plans to manufacture and distribute chemical fertilizer in 2019.

**5. Sugarcane Ecoware Co., Ltd. (“SEW”)** was registered in 2018 with currently paid-up registered capital in amount of 75 million baht and fully paid-up in which BRR currently holds 99.99% of total shares. SEW conducts the production of packaging products, equipment, and appliance by using bagasse and other pulps as the main raw material. SEW is estimated to operate by the 3<sup>rd</sup> quarter of 2019. This business has been promoted on investment by Thailand Board of Investment on November 9, 2018. Moreover, the production capacity of SEW is approximately 200 - 250 million pieces per year, and the main products will be food and medical packaging. As well as, SEW is able to produce other kind of packages based on the customer’s preference such as; package for electronic supply.

The plant will be located nearby the sugar factory of BSF for the convenience of bagasse logistics transportation which is the main raw materials for producing process. Currently, by the end of December 2019, the building of factory has been finished to molding and begun to operate in the first quarter of 2020 onward. The company has marketing strategies focusing on international sales.

### **Supporting Business**

#### **1. 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.

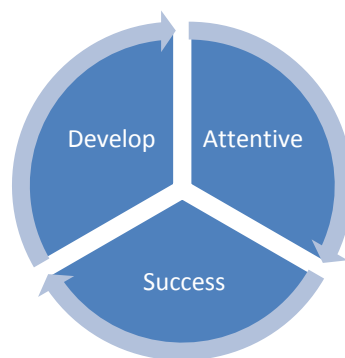
➤ **Vision of Buriram Sugarcane Research and Development Company Limited (“BRD”)**

*“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**



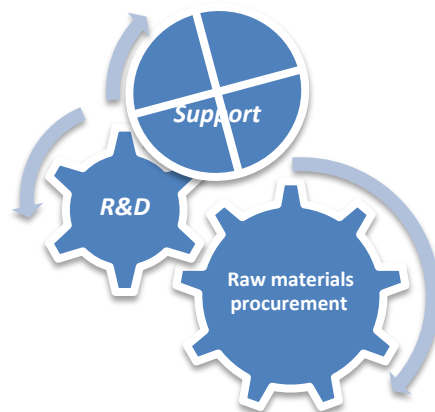
➤ **Mission**

- 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 sugarcane 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 16 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 to develop management system more accurately.
- 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 of sugarcane production with academic knowledge

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

- Experiment and research the sugarcane variety suitable for Buriram plantation area to obtain sugarcane varieties which provide highest yielding crops per Rai.
- Research, experiment and test product, including discover a method for increasing yield and quality of sugarcane.
- Breeding the key sugarcane variety to sugarcane farmers to achieve sustainable productivity.
- Improving and adjusting the soil and determining fertilizers formulas which are suitable for sugarcane production.
- Control disease and pest is divided into monitoring the disease and insect pests including natural pest breeding and beneficial fungus. As well as, management of sugar cane pests with integrated method knowledge transfer and the strong agricultural network.
- Promote and development the water uses to increase productivity.

### 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 continuously
- External training seminars and study visits on a regular basis to increase knowledge and skills
- 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 sugarcanes 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**

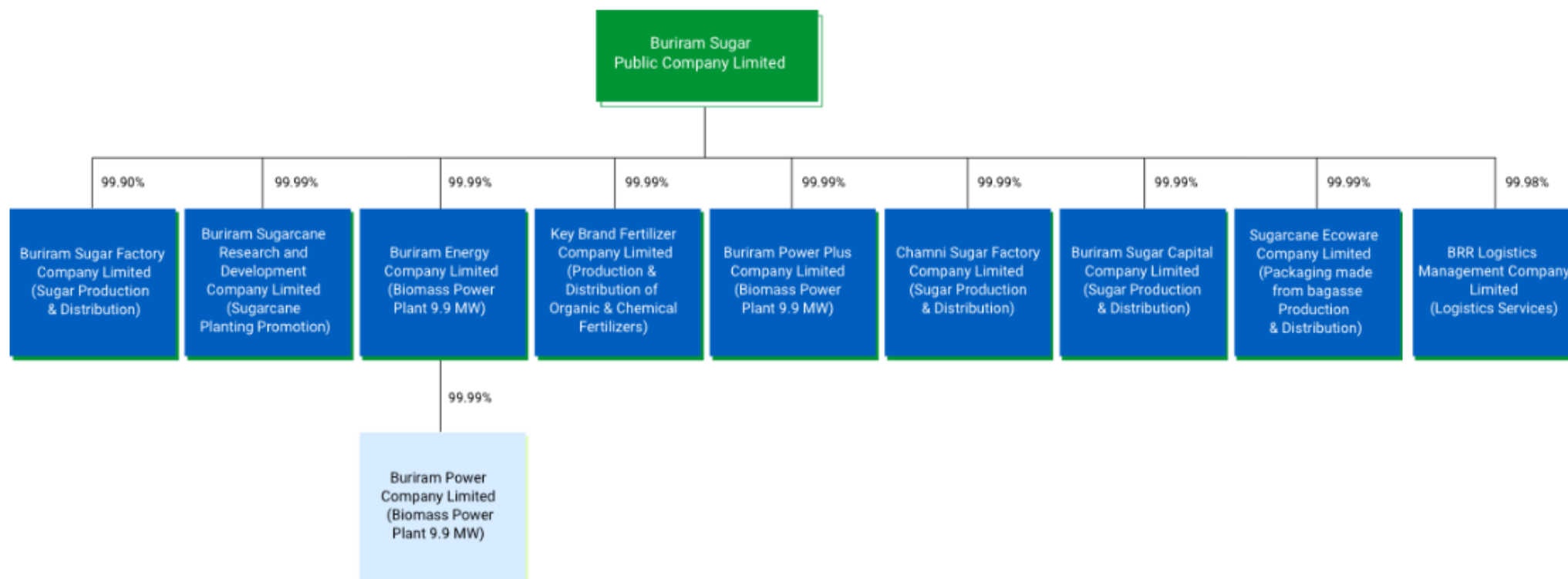
1. Promotion officers hold a meeting and enter into a contract with a sugarcane farmer for sending sugarcane to the factory, including measuring the sugarcane planting area, and preparing data for sugarcane planting inspection in order to further request the promotion.
2. Submit the report on sugarcane planting inspection together with the picture of plantation areas measured by using application of modern management system 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 sugarcane 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.

**2. BRR Logistics Management Company Limited ("BRLM")**

BRLM was registered in 2019 with currently paid-up registered capital in amount of 3 Million Baht and fully paid-up in which BRR currently holds 99.98 % of total shares. BRLM provides logistics services including product transportation services that cover land and water transport, both domestically and internationally as well as discharging provisions as customary.



**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 10 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*
<b>Sugar Business</b>					
Buriram Sugar Factory Company Limited	1,050.00	99.90	Sugar Manufacturing and Distributing	Core Business	77.97* (68.72)**
Chamni Sugar Factory Company Limited	5.00	99.99	Sugar Manufacturing and Distributing (Not Operated Yet)	Subsidiary	N.A.**** (0.78)**
Buriram Sugar Capital Company Limited	10.00	99.99	Sugar Manufacturing and Distributing (Not Operated Yet)	Subsidiary	N.A.**** (0.28)**
<b>By-product Business</b>					
Buriram Energy Company Limited	135.60	99.99	Biomass Power Plant	Subsidiary	6.11* (6.84)**
Buriram Power Company Limited***	170.00	99.99	Biomass Power Plant	Subsidiary	7.06* (7.98)**
Buriram Power Plus Company Limited	160.00	99.99	Biomass Power Plant (Initially Operated on December, 2016)	Subsidiary	0.00* (6.33)**
Key Brand Fertilizer Company Limited	15.00	99.99	Organic and Chemical Fertilizers Manufacturing and Distributing	Subsidiary	0.00* (1.72)**
Sugarcane Ecoware Company Limited	75.00 *****	99.99	Bagasse pulp and packaging Manufacturing and Distribution	Subsidiary	N.A.**** (5.67)**
<b>Supporting Business</b>					
Buriram Sugarcane Research and Development Company Limited	70.88	99.99	Research and Development to Increase the Efficiency of Sugarcane Farming	Subsidiary	8.86* (1.94)**
BRR Logistics Management Company Limited	3.00	99.98	Logistics service business	Subsidiary	N.A.**** (0.03)**

**Remark:**

\* Sizes of Subsidiary on the Holding Company are calculated by revenue of the subsidiary's core business divided by 2019 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 consolidated financial statement at the end of 2019

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

\*\*\*\* In 2019, 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.

\*\*\*\*\* To increase the registered capital to 75,000,000 baht from the original registered capital of 5,000,000 baht in January 2019.

### 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"> <li>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.</li> </ul>
1980	<ul style="list-style-type: none"> <li>The company increased its registered paid-in capital to 15 million Baht.</li> </ul>
1986	<ul style="list-style-type: none"> <li>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.</li> </ul>
1990	<ul style="list-style-type: none"> <li>Received approval to expand the factory 2<sup>nd</sup> time in October 10, 1990. The capacity increased to 7,700 TCD.</li> </ul>
1991-1994	<ul style="list-style-type: none"> <li>Continuously, increased its registered paid-in capital to 200 million Baht.</li> <li>Received approval to increase the capacity to 8,991 TCD without increased equipment horsepower in October 1994.</li> </ul>
1996	<ul style="list-style-type: none"> <li>Established Buriram Sugarcane Research and Development Co., Ltd. (“BRD”), which is a subsidiary to support academic aspect and cane management to stabilize agricultural products and improve life quality of farmers.</li> <li>Received approval to increase the capacity to 12,000 TCD without increased equipment horse power in February 1996.</li> </ul>
1997	<ul style="list-style-type: none"> <li>The company started facing financial problems due to national economic crisis.</li> </ul>
2001	<ul style="list-style-type: none"> <li>BRD started using MIS (Management Information System) and GIS (Geographic Information System) to manage operation for the first time in July, 2001.</li> </ul>
2003	<ul style="list-style-type: none"> <li>Established Buriram Sugar Factory Co., Ltd. (“BSF”) to conduct sugar trade business.</li> </ul>
2005	<ul style="list-style-type: none"> <li>Established Buriram Energy Co., Ltd. (“BEC”) for support energy business in the future.</li> <li>The company started debt restructuring and entered business rehabilitation plan.</li> </ul>
2009	<ul style="list-style-type: none"> <li>Acquire approval to increase its capacity from 12,000 TCD to 17,000 TCD in September, 2009.</li> </ul>

Year	Major Events
	<ul style="list-style-type: none"> <li>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.</li> <li>BRD started using online plot system on October 1, 2009, to survey and monitor sugarcane plot of member farmers.</li> </ul>
2010	<ul style="list-style-type: none"> <li>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:</li> <li>BRR has transferred its employees in department of production, 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.</li> <li>BRR leaved the business rehabilitation plan.</li> </ul>
2011	<ul style="list-style-type: none"> <li>BRR sold its assets as well as sugar manufacturing and distribution license and factory business license to BSF.</li> <li>BRR changed its operating business to Holding company while BSF operates sugar manufacturing and distributing business.</li> <li>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</li> <li>Established Buriram Key Brand Fertilizer Co., Ltd. (KBF) to conduct organic and chemical fertilizer production and distribution business.</li> <li>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.</li> </ul>
2012	<ul style="list-style-type: none"> <li>BRR increased its registered paid-in capital to 320 million Baht.</li> <li>BEC started distributing electricity to PEA in May, 2012.</li> <li>KBF stated production and distribution of organic fertilizer and had production capacity 30,000 tons per annum.</li> <li>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</li> </ul>



Year	Major Events
	market workshop, advise from related organization, plague of honor, etc.
2013	<ul style="list-style-type: none"> <li>Buriram Sugar Co., Ltd. has converted to Buriram Sugar Public Co., Ltd.</li> <li>BRR has increased its registered capital to 676,750,000 Baht to support IPO which consists of; <ul style="list-style-type: none"> <li>Capital increase ordinary shares totaling 180,800,000 shares offered to existing shareholders at specified value price.</li> <li>Capital increase ordinary shares not exceeding 6,767,500 shares offered to directors, executives, and employees at 2.70 Baht per share.</li> <li>Capital increase ordinary shares not exceeding 169,182,500 shares offered to public.</li> </ul> </li> <li>BEC participated in “Thai power love Thai energy” broadcast on Thai News Network on July 22, 2013.</li> <li>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.</li> <li>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.</li> </ul>
2014	<ul style="list-style-type: none"> <li>BSF increased its capacity to 17,000 TCD.</li> <li>BEC participated in “Electalon Passion Life” broadcast on Royal Thai Army Television station on August 4, 2014.</li> <li>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.</li> <li>BRR has registered in The Stock Exchange of Thailand in November 6, 2014.</li> </ul>
2015	<ul style="list-style-type: none"> <li>Established Buriram Agro Energy Co., Ltd. (“BAE”), which is held 99.99 per cent of shareholding by BRR. The objectives are to produce and sell ethanol.</li> <li>Established Buriram Power Plus Co., Ltd. (“BPP”) for operating the biomass power plant.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ul>

Year	Major Events
	<ul style="list-style-type: none"> <li>BRR was evaluated the 2015 Annual General Meeting of Shareholders and got 100 full scores by Thai Investors Association.</li> </ul>
2016	<ul style="list-style-type: none"> <li>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.</li> <li>On March 11, 2016, BEC was amended the power purchase agreement with PEA from Adder system to Feed-in-Tariff system.</li> <li>On March 25, 2016, BRR committed to join the project of Thailand's Private Sector Collective Action against Corruption (CAC)</li> <li>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.</li> <li>BRR was evaluated the 2016 Annual General Meeting of Shareholders and got 100 full scores by Thai Investors Association.</li> <li>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</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>BPP which is the third power plant of BSG was officially operated on December 1, 2016.</li> <li>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.</li> <li>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.</li> </ul>

Year	Major Events
	<ul style="list-style-type: none"> <li>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.</li> </ul>
2017	<ul style="list-style-type: none"> <li>BRR raised its registered capital from 676,750,000 Baht to 812,100,000 Baht, and already paid-up 812,099,845 Baht on May 29, 2017 to facilitate the common stock dividend payment to the company's shareholders.</li> <li>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 Baht, and such infrastructure fund trading in the Stock Exchange of Thailand was firstly operated on August 7, 2017.</li> <li>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.</li> <li>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.</li> <li>BEC received the winner award on the cogeneration category at the 35th ASEAN Ministers on Energy Meeting (35 AMEM) in Philippines.</li> </ul>
2018	<ul style="list-style-type: none"> <li>In the crop year of 2017/18, the amount of cane crushing was raised to 3.15 million tons according to the company's goal and strategy with 11,780 contract farming and 239,523 Rai of sugarcane plantation increasingly.</li> <li>BRR was established Sugarcane Ecoware Company Limited ("SEW") to manufacture packaging products, equipment, and appliance which are made from bagasse and other pulps. The products will be distributed both retail and wholesale, as well as import and export. SEW was increased the registered capital in amount of 75 million Baht in January 2019.</li> <li>BRR decreased its registered capital from 812,100,000 Baht to the new registered capital of 812,099,845 Baht by decreasing the remaining shares from allocation of the additional common stock to facilitate the stock dividend payment.</li> <li>BRR become a certified member of the Collective Action Coalition Against Corruption (CAC) on June 7, 2018.</li> </ul>

Year	Major Events
	<ul style="list-style-type: none"> <li>• BRR was assessed as <b><i>“Excellent” with an average score of 93%</i></b>, under the project of the Assessment of Corporate Governance Report of Thai Listed Companies (CGR) in 2018 by Thai Institute of Directors (IOD), <b><i>that it’s score is higher than the average score of the overall listed companies.</i></b></li> <li>• BRR was evaluated the 2018 Annual General Meeting of Shareholders by Thai Investor Association and got 100 full scores.</li> <li>• BRR was selected as a new securities list in the Stock Universe of Thai CG Funds as of August 1<sup>st</sup>, 2018 (ranked as one of the 172 listed companies)</li> <li>• BPC received the Excellence Award for the bagasse-fired cogeneration power plant project in the event of Thailand Energy Awards 2018 by the Department of Alternative Energy Development and Efficiency, the Ministry of Energy.</li> <li>• BPC received the first runner-up award on the cogeneration category at the 36<sup>th</sup> ASEAN Ministers on Energy Meeting (36 AMEM) in Singapore.</li> </ul>
2019	<ul style="list-style-type: none"> <li>• BRR was assessed as “Excellent” (2 consecutive years) with an average score of 95%, under the project of the Assessment of Corporate Governance Report of Thai Listed Companies (CGR) in 2019 by Thai Institute of Directors (IOD), that it’s score is higher than the average score of the overall listed companies.</li> <li>• BRR was evaluated the 2019 Annual General Meeting of Shareholders by Thai Investor Association and got 100 full scores that the company got full scores for 4 consecutive years.</li> <li>• BRR was selected as a securities list in the Stock Universe of Thai CG Funds for 2 consecutive years since 2018-2019.</li> <li>• BRR has established BRR Logistics Management Company Limited (“<b>BRLM</b>”), which is a subsidiary to offer logistics services for its subsidiaries and external companies including to handle loading and discharging cargo, both domestically and internationally.</li> <li>• BPC received the winning award for Energy Globe National Award 2019 as a biomass power plant by Mr. Gunther Sucher, the Consul of Commerce, at Austria Embassy of Thailand. Energy Globe National Award is a prestigious environmental award. It is awarded annually to projects focusing on sustainable development.</li> </ul>



#### **4. Business Goal (Strategy)**

Buriram Sugar Group 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 2017/18, the amount of cane crushing was 3.15 million tons which is increased in approximately 940,000 tons compared with the crop year of 2016/17. For sugarcane plantation areas presently (crop year 2017/18), such area is totally measured at 239,523 Rai, an increase of 54,411 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, which are increased from the previous year where there were 11,023 farmers. In addition, the Commercial Cane Sugar ("CCS.") in 2017/18 of BSG is approximately 13.71%, and the sugar production is 119.88 kilograms per tons cane as expect.

Even though the production season of 2018/2019 severely underwent drought, it slightly decreased the total of contract farmers at 11,749 along with the sugarcane planting area at 238,074 comparing to the latest season. It is believed that the development, the maintenance of quality guarantee and the persistent distributed knowledge to farmers have prevented the sugarcane crushing volume decreased only in small scale from the 2017/2018 year. It is noted that the quantity of cane crushing was at 2.93 million tons, CCS. at 13.61 and the sugar production per tons of sugarcanes at 120.54 kilograms per tons of sugarcanes.

##### **Investment Expansion, Value Addition to Products and By-products Business Development**

BSG 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, focusing on export sales for the factories. The sugar refinery project has currently operated with the maximum capacity of 1,200 tons/day since the third quarter of 2019. This project is valued at approximately 393.75 million Baht.

In term of the biomass power plant business, currently the company group has three plants in total namely, BEC, BPC and BPP. BPP sells 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.

Additionally, the company has founded Sugarcane Ecoware Company Limited ("SEW") for producing packaging, appliances, devices made from sugarcane and bagasse, including pulp. On December 2019, the factory was also set up and will begin commercially operating in the first quarter of 2020 at a speed of 200 - 250 million pieces per annum. The principal packaging are those of foods and medical purposes, whereas SEW is also open for tailored-made to order clients such as packaging for electronic devices. Still, SEW aims to reach its target in international marketplace. As for the bagasse pulp mill, it is due to complete by the third quarter of 2020.

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## 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 and sustainably.

According to the business of sugar manufacturing factory, the company has planned to expand the investment in the future, depending on global economic conditions and market demands at that time. Furthermore, the company has studying ethanol and other products that are be able to increase revenue and create the business sustainability, including new business line which can create value added to 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 “Good Corporate Governance and Code of Conduct Handbook” 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”, which written and collected in a part of “Good Governance and Code of Conduct Handbook 4<sup>th</sup> Edition” which such policy is effective since 2019.

### 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 sugarcane 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 Governance and Ethics in development and management**

The commitment in organization sustainable development with good governance and ethics is one of important issues of BSG has prioritized and developed constantly. BSG has operated the business in accordance with 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 2019, Buriram Sugar Public Company Limited (“BRR”) has determined to conduct businesses in accordance with the policy and measures on anti-corruption continuously, as well as informed and communicated such matter to business partners and related parties, including organized in-house seminars and campaigns for the personnel in the organization. Furthermore, the company has opened the channel for receiving the complaint and suggestion (Whistleblowing) for the complaint from stakeholders through the suggestions box and postage which will be sent directly to the Chairman of Corporate Governance Committee. However, there was no any whistleblowing issue or suggestion received from stakeholders in the previous year. Additionally, BSG reviewed the Good Corporate Governance and Code of Conduct Handbook 4<sup>th</sup> Edition effectively in 2019, and the handbook was published on the company’s website.

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However, the companies received a Collective Action Coalition Against Corruption or CAC on June 7, 2018 which must be renewed every three years. It requires the relevant documents regarding risk determination and suitable supervising standard to affirm anti-corruption operation.

On account of overseeing and monitoring the compliance with the good corporate governance, this led to the result of being assessed as “Excellent” (for 2 consecutive years) with the average score of 95% which is higher than the average score of the overall listed companies of the Stock Exchange of Thailand under the project of the Assessment of Corporate Governance Report of Thai Listed Companies (CGR) in 2019 by Thai Institute of Directors (IOD).



## 2. Nature of Business

### (1) Revenue Structure of Buriram Sugar Group

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

	2016		2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
<b>1. 1. Revenue from Sale and Service</b>								
<b>1.1 Revenue from Sugar and Molasses Sales</b>								
<b>1.1.1 Sugar</b>								
<b>Dosmetic Sale</b>								
Brown Sugar	1,162.02	24.8	1,144.94	19.42	658.77	11.27	561.45	10.97
White Sugar							195.91	3.83
Raw Sugar							259.41	5.07
<b>Total Revenue from Sugar Domestic Sale</b>	<b>1,162.02</b>	<b>24.8</b>	<b>1,144.94</b>	<b>19.42</b>	<b>658.77</b>	<b>11.27</b>	<b>1016.77</b>	<b>19.87</b>
<b>Foreign</b>								
White Sugar	53.29	1.14	6.67	0.11	-	-	20.34	0.40
Raw Sugar	2,230.29	47.6	3,114.99	52.83	3207.49	54.88	2,358.00	46.10
น้ำตาลทรายขาวบริสุทธิ์ - ต่างประเทศ							188.63	3.69
<b>Total Revenue from Sugar Foreign Sale</b>	<b>2,283.58</b>	<b>48.74</b>	<b>3,121.66</b>	<b>52.95</b>	<b>3207.49</b>	<b>54.88</b>	<b>2,567.76</b>	<b>50.18</b>
<b>Total Revenue from Sugar Sale</b>	<b>3,445.60</b>	<b>73.54</b>	<b>4,266.60</b>	<b>72.37</b>	<b>3,866.26</b>	<b>66.15</b>	<b>3,584.53</b>	<b>70.06</b>
<b>1.1.2 Molasses</b>								
Molasses - ในประเทศ	283.6	6.05	437.44	7.42	499.28	8.54	402.74	7.87
<b>Total Revenue from Molasses Sale</b>	<b>283.6</b>	<b>6.05</b>	<b>437.44</b>	<b>7.42</b>	<b>499.28</b>	<b>8.54</b>	<b>402.74</b>	<b>7.87</b>
<b>Total Revenue from Sale and Molasses</b>	<b>3,729.19</b>	<b>79.59</b>	<b>4,704.04</b>	<b>79.79</b>	<b>4,365.54</b>	<b>74.69</b>	<b>3,987.27</b>	<b>77.93</b>
1.2.1 Revenue from Electricity Sale	383.81	8.19	492.14	8.35	556.57	9.52	478.58	9.35
1.2.2 Revenue from Fertilizer Sale	328.83	7.02	335.51	5.69	370.71	6.34	316.01	6.18
1.2.3 Revenue from Sale and Service	137.38	2.93	208.75	3.54	263.15	4.50	203.25	3.97
<b>Total Revenue from Other Related Businesses</b>	<b>850.02</b>	<b>18.14</b>	<b>1,036.40</b>	<b>17.58</b>	<b>1,190.43</b>	<b>20.37</b>	<b>997.85</b>	<b>19.50</b>
<b>Total Revenue from Sale and Service</b>	<b>4,579.21</b>	<b>97.73</b>	<b>5,740.44</b>	<b>97.37</b>	<b>5,555.97</b>	<b>95.06</b>	<b>4,985.12</b>	<b>97.43</b>
<b>2. Other Revenues</b>	<b>95.22</b>	<b>2.03</b>	<b>151.72</b>	<b>2.57</b>	<b>253.05</b>	<b>4.33</b>	<b>123.31</b>	<b>2.41</b>
<b>3 Profit (Loss) from Exchange Rate</b>	<b>11.09</b>	<b>0.24</b>	<b>3.59</b>	<b>0.06</b>	<b>35.79</b>	<b>0.61</b>	<b>8.21</b>	<b>0.16</b>
<b>Total;</b>	<b>4,685.52</b>	<b>100</b>	<b>5,895.76</b>	<b>100</b>	<b>5,844.81</b>	<b>100</b>	<b>5,116.64</b>	<b>100</b>

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

## (2) The Business of Sugar Manufacturer and Distributor

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

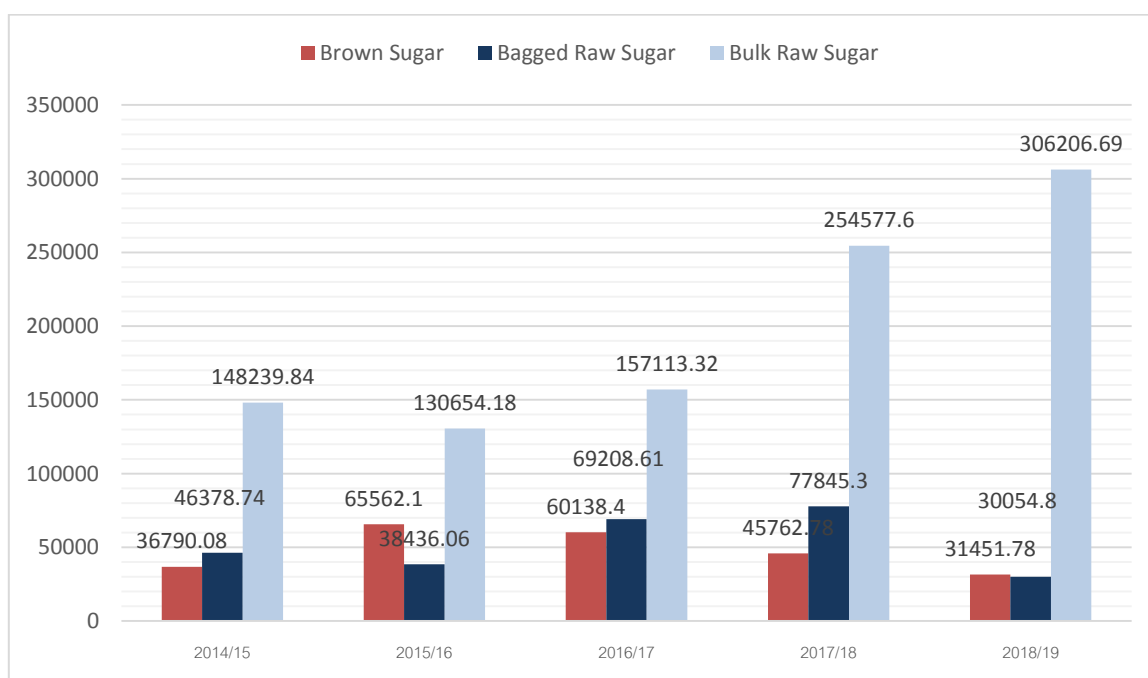
BSF is the first sugar mill of Buriram Sugar Group (“BSG”) which is located in the local community for approximately 5 decades. Throughout these years, BSF commits to produce quality sugar and safety products for consumers as well as create customer satisfaction. Therefore, BSF has developed the quality 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 two categories which are brown sugar (W1 and W3), refined sugar, and raw sugar which can be characterized into: bulk raw sugar and bagged raw sugar. Sugar production is estimated to be around as follow: W1 sugar 14,363.750 tons, W3 sugar 17,088.025 tons, bulk raw sugar 306,206.690 tons, bagged raw sugar 30,054.800 tons, refined sugar 24,535.050 tons. 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.

### **W3 Sugar**

W3 Sugar is purified sugar through processing its color value and decreasing its values. The company produces W3 sugar with less than 200 ICUMSA Unit and not more than 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 areas including modern trade and food services channel as well.

### **Refined Sugar**

Refined sugar is purified sugar through processing its color value and decreasing values. The company produces refined sugar with less than 45 ICUMSA Unit and not more than 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 areas including modern trade and food services channel as well.

#### ***BSF Sugar Classified by ICUMSA, Polarization and Moisture***

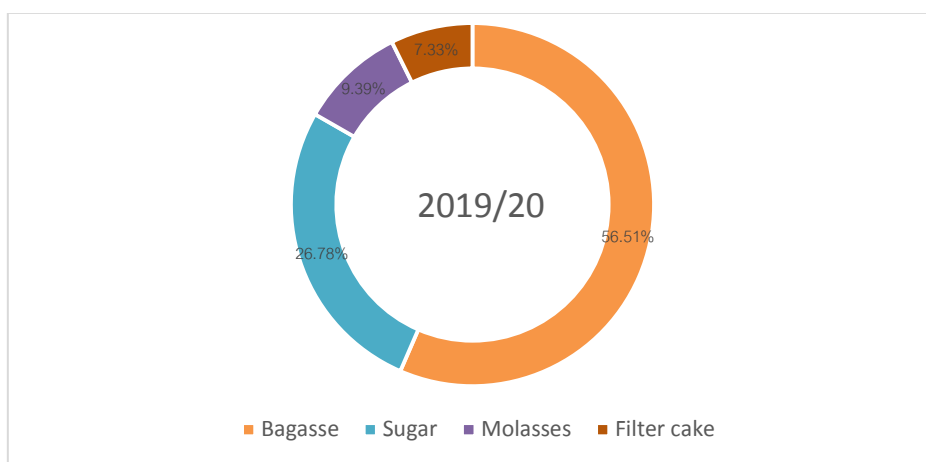
<b>Products</b>	<b>ICUMSA Unit</b>	<b>Polarization (%)</b>	<b>Moisture (%)</b>
Bulk Raw Sugar	≥1,001	≥96.00	≤ 0.6
Very high polarization sugar (VHP)	1,000 – 1,500	99.20 - 99.49	≤ 0.2
W3 Sugar	401 – 1,000	≥ 99.20	≤ 0.1
Premium Sugar	≥ 1,000	≥ 99.20	≤ 0.2
W1 Sugar	≤ 200	≥ 99.50	≤ 0.10
Refined Sugar	≤ 45	≥ 99.80	≤ 0.04

### **By-products from Sugar Production Process**

In addition to sugar from manufacturing process, the quantity of cane crushing in amount of 14,000 tons generally produces 1,600 tons of sugar and also byproducts from sugar production process which produces 600 tons of molasses, 3,800 tons of bagasse and 600 tons of filter cake.

In 2018/19 crop year, the quantity of cane crushing was approximately 2.93 million tons which could produce 392,248.315 tons of sugar and also byproducts from sugar production process namely 137,477.05 tons of molasses, 827,792.63 tons of bagasse and 107,314.05 tons of filter cake.

### ***Proportion of Sugar and By-products***



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 38 - 42 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 packaging and utensils from bagasse, 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.

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- **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 were registered as Chamni Sugar Factory Company Limited (“CSF”)(originally Buriram Super Power Company Limited) and Buriram Sugar Capital Company Limited (“BSC”) (originally Buriram Agro Energy Company Limited) respectively.

Chamni Sugar Factory Company Limited (“CSF”) is currently in the preparation of an EIA reports and finding investors for the business. After the operation, production capacity will be 20,000 tons per day.

## **2.3 Market and Competition**

- **Competitive Strategy**

BSG has experiences in sugar production and distribution more than 57 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 sugarcane 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, promoted and support water use for increasing productivity 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 developed application program for management of production activities on individual basis for measuring land areas with 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

Most of supportive areas for growing sugarcanes are located 40-kilometer radius around the manufacturer. Most of the areas were rice plantations but provided less output (highland). The agriculturalist have adjusted their ways of life and applied the land for sugarcane plantation instead. Such land is suitable for growing sugarcanes with promotion in contract farming form that is 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*



*Number of Contract Farming, Sugarcane Fields and Cane Crushed*

Items	Crop Year					
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Contract Farming (Persons)	11,587	11,023	11,780	11,749	10,253	11,000
Sugarcane Fields (Rai)	189,381.90	185,112.91	239,523	238,074	197,568.76	200,000
Cane Crushed (Tons)	2,060,649.65	2,212,736.63	3,154,586.44	2,931,277.02	1,800,000	3,000,000
CCS. (%)	13.45	13.18	13.71	13.61	13.60	13.70
Sugar Yield	117.06	112.59	119.88	120.54	120.00	122.00

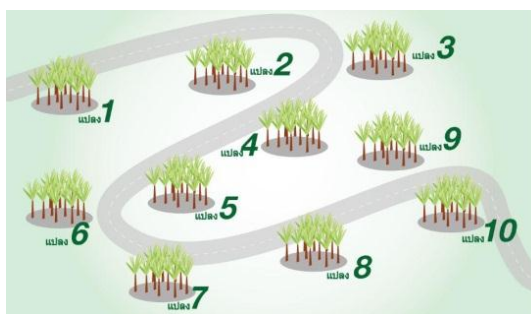
**Remark:** - Crop Year 2019/20 is a forecast since currently the factory is crushing the cane. Hence, the quantity of sugarcane will be decreased due to drought conditions. However, the company can control the production to meet the target.

- Crop Year 2020/21 is the target.

## 2. Individual Plantation Promotion and Monitoring

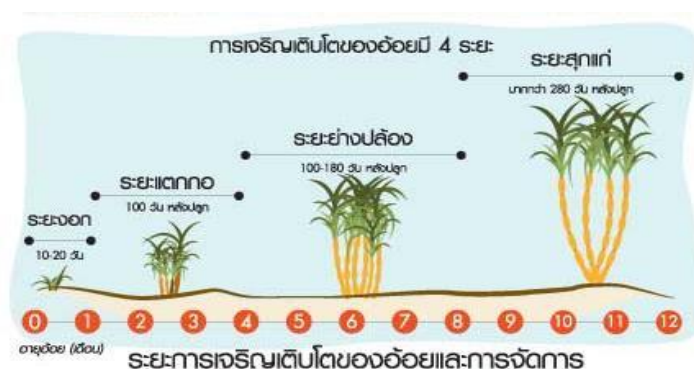
The company has selected personnel with regard to producing sugarcane namely “Specialist Increases Production” (“Specialist”) providing suggestions to sugarcane farmers for managing the factors of production and sugarcane output from the start of planting to harvesting. Such all steps are equally important. 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, sugarcane growth level in order to take rectified immediately 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 checking the sugarcane plantation, the Specialist will record 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 Agriculturist -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 2018, the company has initiated the concept of changing sugarcane farmers into “agriculturist -businessmen”. Such concept paves the way to develop the sugarcane production, sugarcane farmers to be agriculturist -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 inherit 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.



## 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, activity recording via application program 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 of plantation 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 in accordance with the company's development policy. The company has joined the network of sugarcane production and its variety testing, such as 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, including testing and research to improve productivity and test new products to increase such production prior 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 sugarcane, 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 sugarcane with the soil analysis information gathered from farmer representative of each plantation area in order to formulate the proper fertilizer for land of 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.

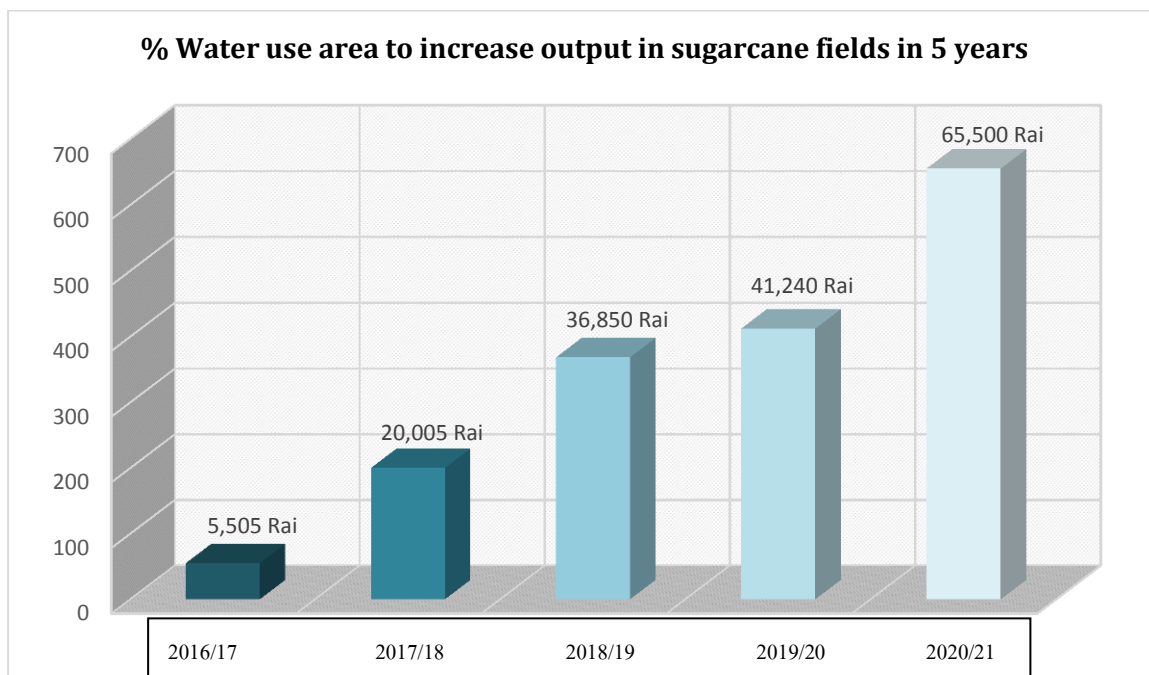
Sugarcane farmers can collect example soils for analysis themselves based on trainings such as pH measurement, separation of soil contents, soil group and so on. The remaining example soils are submitted to the lab of sugarcane office in order to find the proper nutrients, and evaluate the analysis results 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 for sugarcane farmer. 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 promoted 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 farmer use water for production increases every year, and such areas use water more than 18.11% in 2018/19. The company also considers the water is the top priority factor to improve the production for sugarcane farmers because the sugarcane plantation areas in Buriram have no irrigation system; most of the cultivation relies on 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. Including analyze the conditions and severity trend of the sugarcane diseases and pests by using survey and climate condition data and 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 creates farmers' participation by built the strong sugarcane farmer network to produce and expand beneficial fungus and natural pests. This shall make the sugarcane farmers recognize the importance of plant protection issue, proper management of their own plantations, and manage the sugarcane plantation correctly and appropriately

*Useful Pests and Fungus to Protect and Eliminate Harmful Pests*



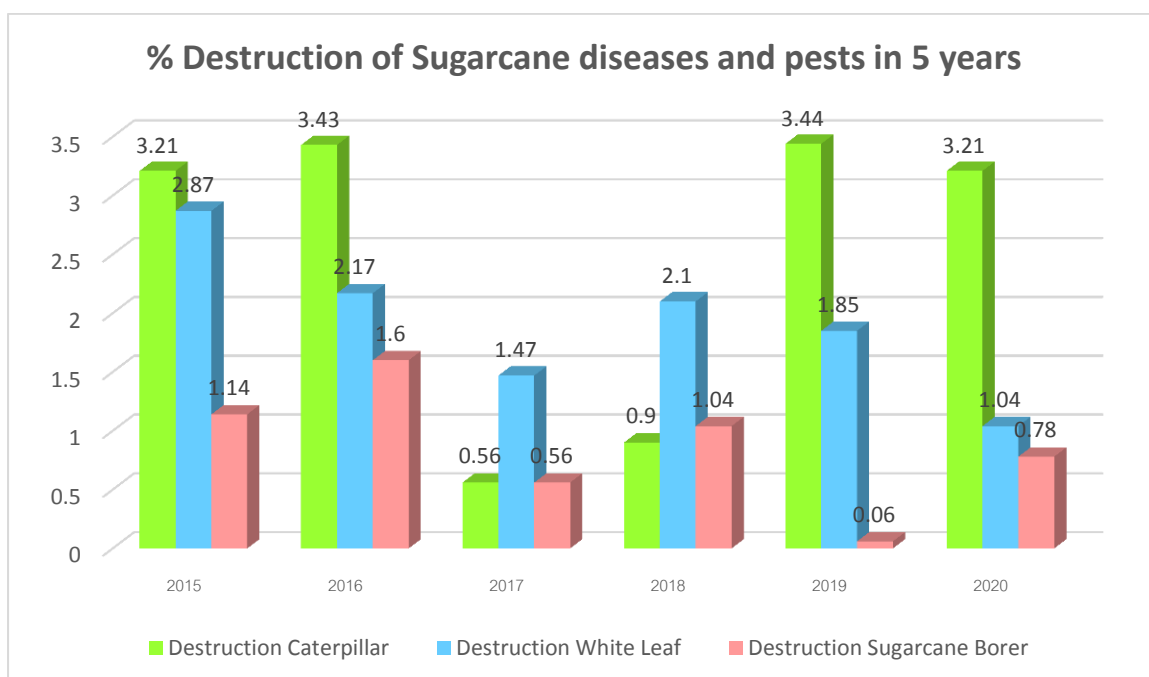
*Cotesia flaviopes*



*Metarhizium anisopliae*



*Trichoderma spp.*



*Participation of Strong Sugarcane Farmer Network to Entire Harmful Pests Management*



**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. So that knowledge transferring and new technologies must have effective and appropriate tools and process. In 2018, there are the processes 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 personnel such as sugarcane basis characteristics and "We Can Do 30 Tons/Rai" trainings project which helps sugarcane farmer to conduct their own business with goal.

##### *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, 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 2019*



#### **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.



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

## 7. Maximizing Product Value

The Company's group is aiming to produce the white sugar and refined sugar for domestic and overseas distribution. As of which, the price of white sugar in global market is higher than the raw sugar, and the price of refined sugar in domestic market is higher than the white sugar for distribution through dealership, modern retailer, Industrial

client's group, and food and beverage shops. It also aims to develop the products and packaging which response to the consumer's needs – by planning to bring the natural brown sugar into 25-kilogram bag under trademark “**Double Key**” which enable more the convenience of receipt and dispatch services. It is another choice for dealers and retails shop with moderate in use; including bringing the exclusive-selected natural cane sugar and refined sugar into bottles packaging under trademark “**BRUM**” for the consumers group of food and beverage shop, by distributing the products through dealers and modern retailer and wholesales store in every region throughout the country.

## 8. Customer Satisfaction and Relations

The Company Group focuses on developing the quality service, for responding to the targeted client's needs, and open for opinions and complaint from the clients in order to constantly improve the quality of products and services which are the significant part for creating satisfaction and good client relations among the group of clients. In addition, this can help encourage the progressive sales as a building of client's base in long - term; and it will also create the brand loyalty which can maintain the client base and the proportion of market share, especially the high-competitive market in the present time.

### ➤ Distribution Channel and Target Customer

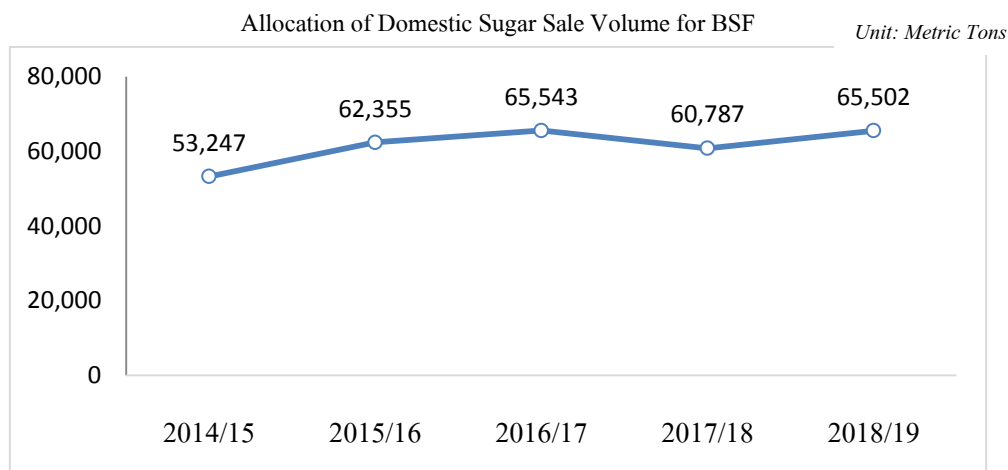
The sugar distribution channel which is both domestic and oversea has designated the targeted customers and proportion of the types of products in each distribution channel. The proportions of revenue from sugar selling in domestic and overseas of 2017-2019 are as below

*Revenues of Domestic Sugar Sales and Export Sales*

	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
<b><u>Domestic Sales</u></b>						
<b>Brown Sugar</b>	1,144.94	19.42	658.77	11.27	561.45	10.97
<b><u>Export Sales</u></b>						
<b>White Sugar</b>	6.67	0.11	-	-	20.34	0.40
<b>Raw Sugar</b>	3,114.99	52.83	3,207.49	54.88	2,358.78	46.10
<b>Total</b>	<b>4,266.60</b>	<b>72.37</b>	<b>3,866.26</b>	<b>66.15</b>	<b>3,584.53</b>	<b>70.06</b>

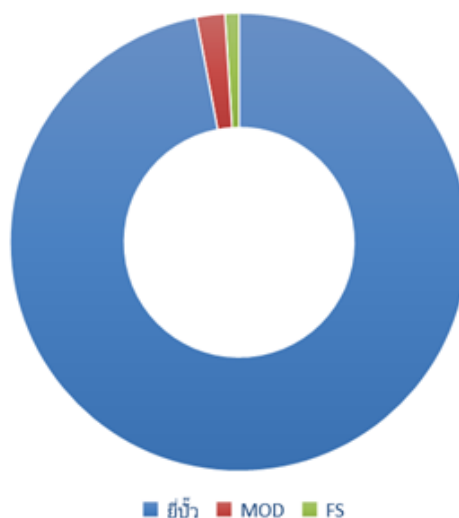
### 1. Domestic Sales

The domestic sugar distribution – crop year of 2018/2019 with approximated storage of 2,600,000 tons or 26 million sacks throughout the country. Whereas from January – December 2019, Buriram Sugar Factory Co., Ltd. (“BSF”) has the domestic sugar distribution in amount of 65,502 tons or 655,020 sacks (100 kilograms/sack).



Buriram Sugar Factory Co., Ltd. has determined the domestic distribution plan of white sugar by distribute it through various channels; the distributors (Yee-Pua) both big and small in each region, or importing the products into distribution for Modern Trade which have branches throughout the country, including distributing the products to food and beverage shops under the trademark “Double Key” that have various sizes of packaging.

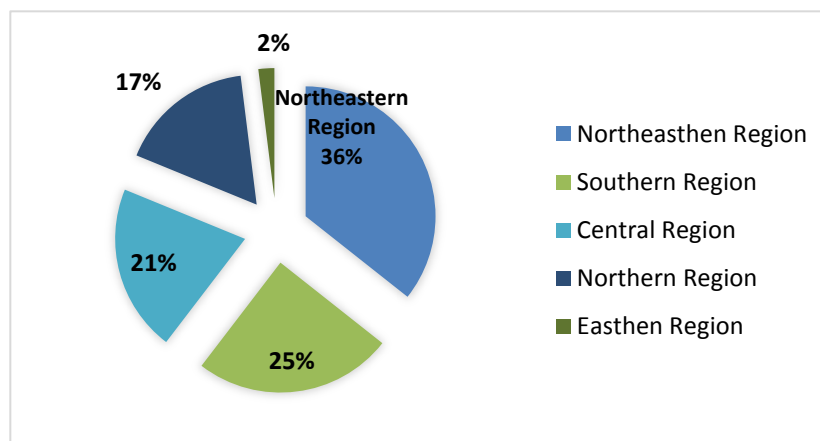
#### Proportion of domestic sugar sale volume in each distribution channel in 2019



##### 1.1 Distributors (Yee-Pua)

Natural Brown sugar; trademark "Double Key" is natural cane sugar consisting of luscious sweet flavor as the unique feature of the product. As of which, the distributors (Yee-Pua) both big and small in each region will distribute the product to the retails, industrial factory and consumers. The method of distributor's (Yee-Pua) operation is passed-on from generation to generation with long-lasting business partnership with the manufacturers. Therefore, they are significant factor as the primary channel for distributing the products to customers throughout the country.

Distributor classification by regions in 2019



### 1.2 Modern Trade

The Modern Trade Market is another channel for products distribution directly to the customers through the trademark “Double Key”, and it also can promote the recognition of the trademark. Nowadays, the Modern Trade has provided convenience to the consumer for accessing variety of products with branches throughout the country. Moreover, it is a channel for products sales promotion activity for expanding the direct customer base, and create good image of the trademark. The Sugar by “Double Key” has been released through Villa Market and The Mall in every branch throughout the country, and it also has a plan to expand the channel to other topnotch department stores as well.

### 1.3 Domestic Sales and Marketing Plan and Strategy

During the market situation of high-competitive among the industry; planning the marketing strategy in accordance with the demand of the targeted customers, is a tool for achieving the success and complete the planned marketing objectives. Whereas, the Sales and Marketing Strategy Plan is as below;

**Sales Plan:** The product’s proportion of each category and package size have been arranged with diversity suitable with each distribution channel, and keep monitoring on the market situation factors which may affect the revenue and distribution amount, including estimating the monthly sales revenue in order to maintain the original customers and add new customers which have potential for products distribution in each region throughout the country.

**Marketing Strategy Plan:** This focuses on inventing and developing the products and the new kind of packaging for responding to the consumer’s behaviors in the present time, including the plan for keeping existing customers in Northeastern region and expanding the customer base into new distribution channels, as well as sales promotion activity, which can help adding the market share and increasing the sales and purchase of product revenue continuously. Also, this will promote the recognition and acknowledgement of the trademark “Double Key” upon releasing to the market.

**Packaging size of brown sugar “Double Key”;**

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

**Packaging size of brown natural sugar “BRUM”**

1. 300 grams each in 25 bags

**Packaging size of white sugar “BRUM”**

1. 50 kilograms

**Packaging size of refined sugar “BRUM”**

1. 50 kilograms
2. 1 kilogram each in 25 bags

In 2020, the company has the plan for producing and distributing Natural Brown Sugar and Refined Sugar in bottle packaging designed for functional usage of convenience, cleanliness, and beautiful appearance under the trademark “BRUM” to target the Food Service customer and Modern Trade. In addition, the company also has a plan to pack 1 kilogram of white sugar into 25-kilogram sack packaging with the aim of expanding new existing customer bases, creating diversity, and adding value to these products.

**2. International Sales**

International sales consist of two parts which are; the company has to deliver some sugar to Thai Cane and Sugar Co., Ltd. (“TCSC”) for sale, and the sugar that the factory can sell and export it independently. 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 mill's portion, BSF will make a contract for each transaction. A contract lasts approximately 3 months and specifies quality and 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 Sucden, Olam, Wilmar, Alvean, Itochu and Cofco, etc., which have good financial position. Thus, the inspection of customers' financial position will be performed through The Thai Sugar Trading Co., Ltd.

➤ **Pricing Policy**

Since January 15, 2018, the government has invoked Article 44 per the Order 1/2562 of the Chairman of the National Council for Peace and Order (NCPO) which stipulated:

1. Abolishing the Notification of the Cane and Sugar Board on Price Setting for Domestic Sugar, therefore, there was no longer sugar price setting for domestic market at factory gate. Sugar price was floated and sugar mills were free to sell in the local market.

2. Abolishing of Quota A, B and C, therefore sugar mills were free to sell domestic or export.

3. Abolishing of Quota B that sugar mills had usually contributed to the Thai Cane and Sugar Corporation Limited (TCSC). The amount is to be set instead by Sugar Association and sugar mills have to directly make a contract with TCSC.

4. The Office of Cane and Sugar Board (OCSB) is to set buffer stock for all sugar mills. The stock is to be calculated from average one-month domestic consumption of the previous season.

**1. Domestic sales**

For the old regime, sugar price determination, since 1980, had been administrated by 2 ministries, namely the Cane and Sugar Board of the Ministry of Industry whose task was to set domestic sugar price at factory gate and the Central Committee on Price of Goods and Services of the Ministry of Commerce who set domestic sugar retail price. Ex-factory prices for white sugar and refined sugar were 19 Baht/Kg and 20 Baht/Kg respectively. The ceiling retails price was capped at 23.50 Baht/Kg.

Since the floating of local sugar price and abolishing of quota system in accordance with Thailand's commitment under the World Trade Organization (WTO) and ASEAN Free Trade Agreement (AFTA), local price has moved along with the world sugar price (London Sugar No. 5) resulted in the decrease of local price from 19 – 20 Baht/Kg to 17 – 18 Baht/Kg.

For the current situation, the Office of Cane and Sugar Board has announced on November 21, 2019 that for sugar prices for domestic distribution in the 2019-20 sugar-crushing season in accordance with the authorities of the Cane and Sugar Board No. 3 regarding the criteria and procedure of setting domestic prices 2019. Therefore, the Office of Cane and Sugar Board has notified the domestic price of sugar in the crop year of 2019/20, excluding VAT as follows:

- 1) White Sugar 17.25 Baht/Kg
  - 2) Refined Sugar 18.25 Baht/Kg
- Effective from October 1, 2019 onwards.

Source: 1) Office of Cane and Sugar Board <http://www.ocsb.go.th/th/faq/index.php?gpid=18>

2) Cabinet Resolution on the Restructuring of Cane and Sugar Industry, the Secretariat of the Cabinet, January 16, 2018  
<http://www.cabinet.soc.go.th/soc>

## 2. Foreign Sales

### Sale Price for sugar under the Thai Cane and Sugar Corporation Limited (TCSC).

Sugar exported under TCSC is mainly aimed to get export's reference price to use in cane price calculating formula. 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 for sugar under mill

The company has set pricing 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

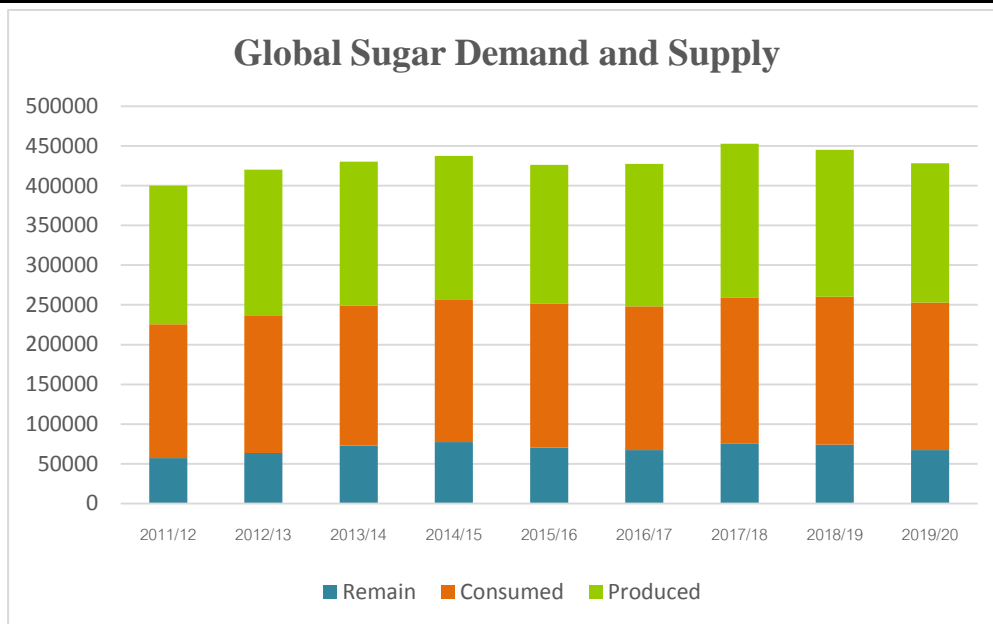
#### 1.1) Global Sugar Demand and Supply

Unit: million MT<sup>1</sup>

	Production, Consumption and Stock (October – September)								
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20*
Production	174,575	184,098	181,347	181,729	174,672	179,594	193,257	184,969	175,122
Consumption	168,425	172,461	175,997	178,851	181,050	180,548	183,744	186,279	185,620
Stock	57,130	63,684	72,787	77,491	70,613	67,442	75,747	74,044	67,397

Source: World Sugar Balances 2010/11 – 2019/20 F.O. Lich's International Sugar and Sweetener Report, 06.01.2020

Notes: \*Forecast



There has been a fluctuation in sugar pricing in the world 2018/19 production season. This is explained by the endorsement via the India's government in exporting as well as the oversupply movement. This trend is on some organizations' watch. The support gained in India caused a plunge in the market's sugar pricing in June 2019. It reached the bottom at 20.76 cent/pound in September of the same year. Nonetheless, there was an elevation to 14 cent/pound in October 2018, supposed because of the speculation of undersupply sign of sugar manufacture.

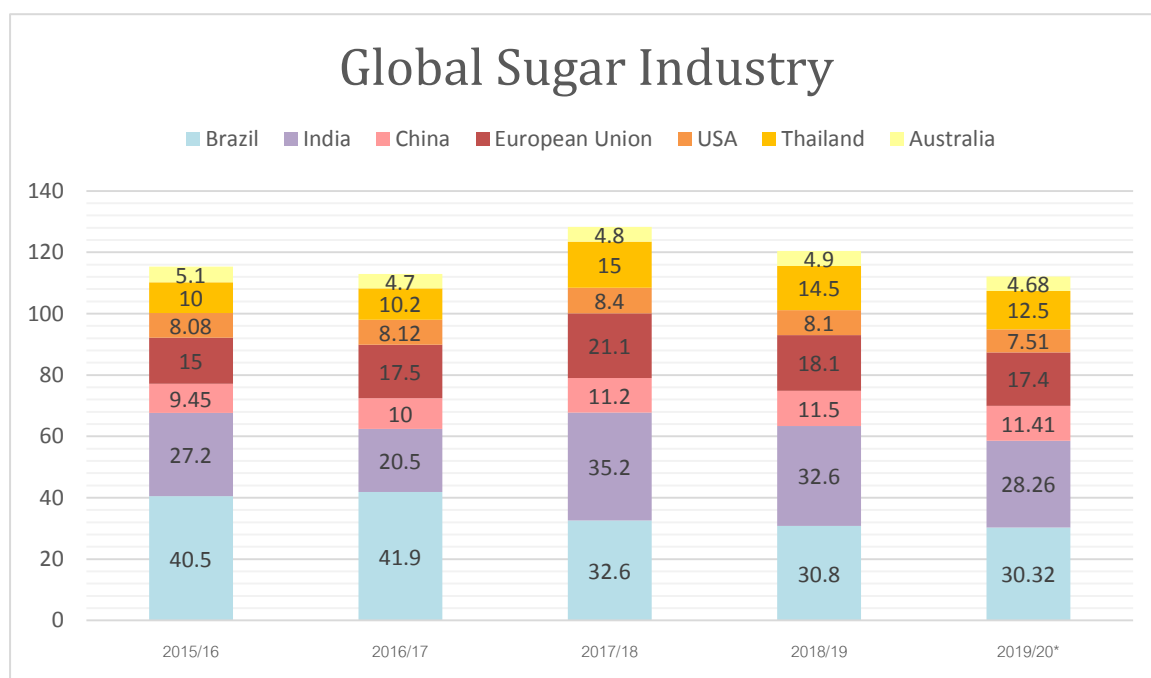
## 1.2) Global Sugar Industry

 Unit: million MT<sup>1</sup>

Major Producers	Sugar Production (October – September)				
	2015/16	2016/17	2017/18	2018/19	2019/20
Brazil	40.5	41.9	32.6	30.8	30.32
India	27.2	20.5	35.2	32.6	28.26
China	9.5	10.0	11.2	11.5	11.41
Europe Union	15.0	17.5	21.1	18.1	17.40
USA	8.1	8.1	8.4	8.1	7.51
Thai	10.0	10.2	15.0	14.5	12.50
Australia	5.1	4.7	4.8	4.9	4.68

Source: 1. World Sugar Balances 2010/11 - 2019/20 F.O. Lieth's International Sugar and Sweetener Report, 06.01.2020

Notes: \*Forecast



Sugar producing in India is first in a ranking of world 2018/19 production season. This is partly due to a decline in Brazil sugar production which is substantially affected by the interest difference in sugar and ethanol. The latter is likely to draw more attention. However, this condition has not given rise to an upsurge in sugar pricing. Reasonably because there is global oversupply in manufacturing even if it may take a turn. With the growth of world consumption, its quantity has not escalated considerably. Presumably, the sugar pricing has remained in 11 to 12 cent/pound in the past year.

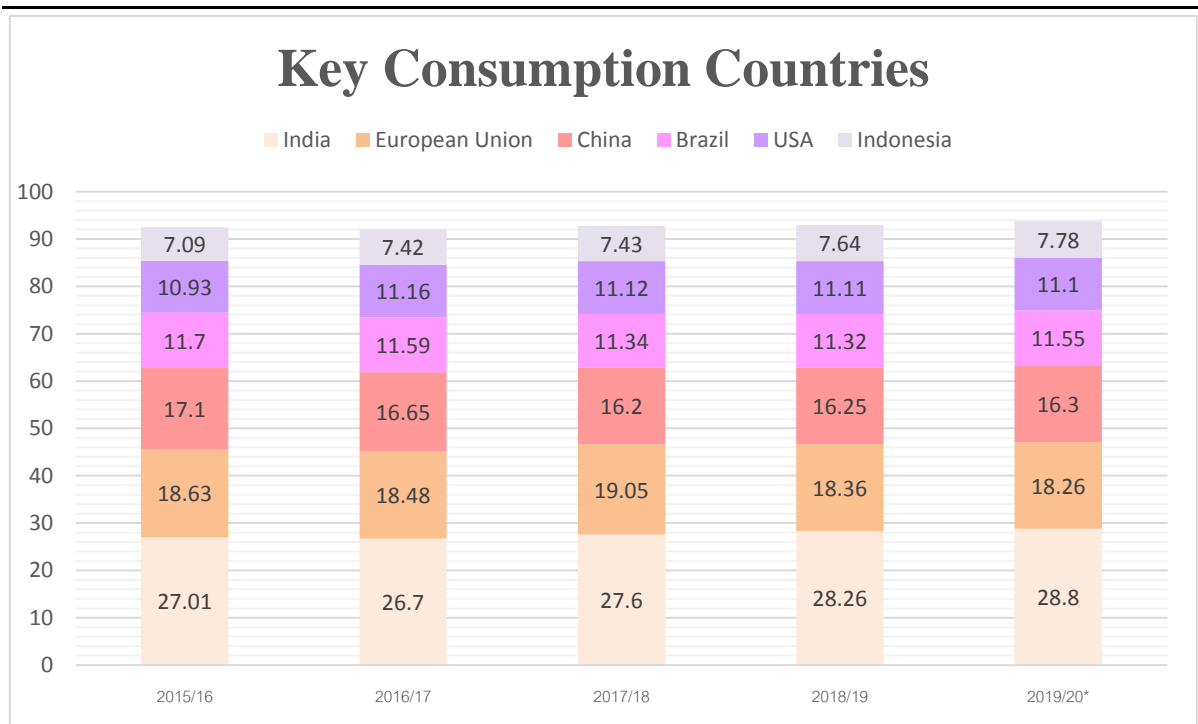
### 1.3) Key Consumption Countries

 Unit: million MT<sup>1</sup>

Countries	Consumption (October - September)				
	2015/16	2016/17	2017/18	2018/19	2019/20*
India	27.01	26.70	27.60	28.26	28.80
European Union	18.63	18.48	19.05	18.36	18.26
China	17.10	16.65	16.20	16.25	16.30
Brazil	11.70	11.59	11.34	11.32	11.55
USA	10.93	11.16	11.12	11.11	11.10
Indonesia	7.09	7.42	7.43	7.64	7.78

Source: World Sugar Balances 2010/11 - 2019/20 F.O. Lich's International Sugar and Sweetener Report, 06.01.2020

Notes: \*Forecast



India and the European Union still assumed the helm of sugar consumption champion. However, world sugar consumption's growth is lower than 2% from the traditional growth of over 2% a year. Health campaign played bigger role in influencing food & beverage industries to reformulate their sugar contents in their products to serve new trending demands, while household consumption didn't change much.

#### 1.4) Major Exporting Countries

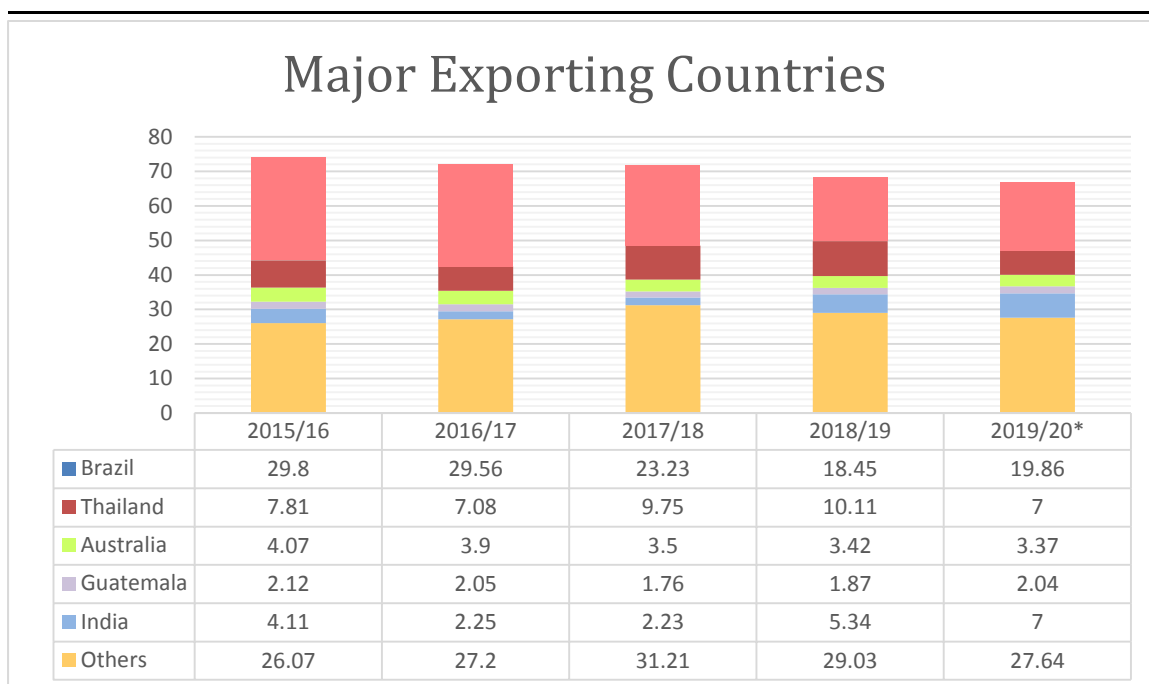
 Unit: million MT<sup>1</sup>

Major Exporters	Volumes (October - September)				
	2015/16	2016/17	2017/18	2018/19	2019/20*
Brazil	29.80	29.56	23.23	18.45	19.86
Thailand	7.81	7.08	9.75	10.11	7
Australia	4.07	3.90	3.50	3.42	3.37
Guatemala	2.12	2.05	1.76	1.87	2.04
India	4.11	2.25	2.23	5.34	7.00
Others	26.07	27.20	31.21	29.03	27.64

Source: World Sugar Balances 2010/11 - 2019/20 F.O. Lich's International Sugar and Sweetener Report, 06.01.2020

Notes: \*Forecast





Brazil and Thailand were the first and second biggest sugar exporters. Most of Thai sugar destinations were within Asia where Thailand has strategic advantage in term of location. However, the constituent of export market in the past year is Thailand and India's exporting capacity which are on the rise as opposed to a slump in transmitting sugar worldwide in the production season 2018/2019. However, taking the oversupply and the continuous exporting endorsement in India into consideration, there is chance that Brazil along with several countries would bring a lawsuit to WTO

Total Thailand's export volume from January to December 2019 was 10.04 million MT. Most important destinations included Indonesia, China, Cambodia, South Korea, and Malaysia.

#### 1.5) Major Importing Markets

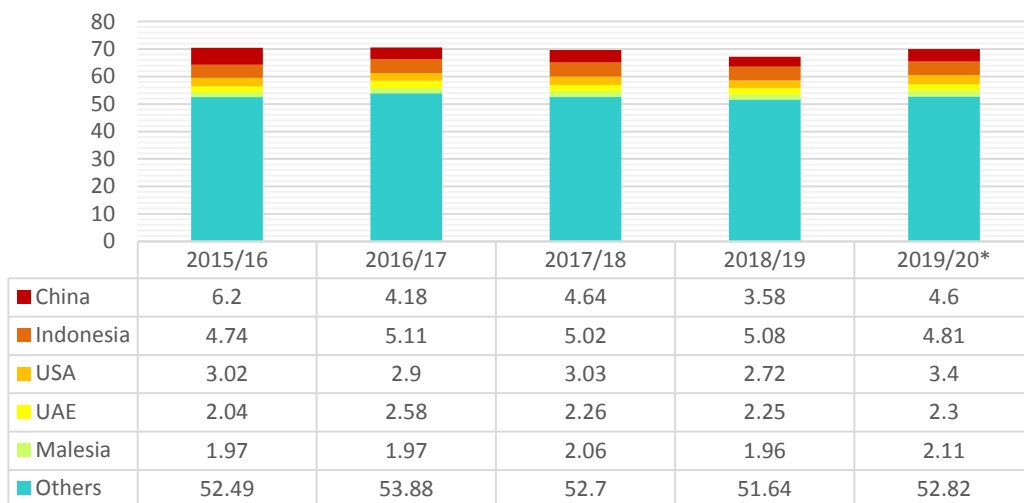
 Unit: Million MT <sup>1</sup>

Major Importers	Volumes (October - September)				
	2015/16	2016/17	2017/18	2018/19	2019/20
China	6.20	4.18	4.64	3.58	4.60
Indonesia	4.74	5.11	5.02	5.08	4.81
USA	3.02	2.90	3.03	2.72	3.40
UAE	2.04	2.58	2.26	2.25	2.30
Malaysia	1.97	1.97	2.06	1.96	2.11
Others	52.49	53.88	52.70	51.64	52.82

Source: World Sugar Balances 2010/11 - 2019/20 F.O. Licth's International Sugar and Sweetener Report, 06.01.2020

Notes: \*Forecast

## Major Importing Markets



China was the biggest importing market with the volumes of over 11.7 million MT while the average demand was 16.5 million MT. The volume of imports decreased around 1 million MT. Major concern factors for Chinese market was the increasing demand for high-fructose corn syrup (HFCS) which hindered sugar consumption's growth. Indonesia was still the top importer with the volumes of 5 million MT to serve annual demand of 7.5 million MT. In 2019, Thailand alone shipped 3.16 million tons to Indonesia higher than the same period of last year where 2.5 million MT was exported. The increasing amount was the lower than expected shipment from Thailand's competitors, Australia and Brazil, the former diverted its sugar to Japan instead and the latter produced lower amount of sugar.

### Analysis

1) The 2018/19 crop year was a volatile period in terms of price, production and trade. Since there are multiple factors to take into consideration in the following ; some uncertainty in variation in manufacturing, the sale policy, a change in the law supervising cane which has been scrutinized by WTO, the world macro-economics, a shift in oil pricing, the trade war between the US and China, the export endorsement in India. This overall has caused a concern of the world economics' growth which results directly to the uncertainty in commodity consumption.

### NY No. 11 Raw Sugar Price Movement (February 2019 – January 2020)



Source: <https://www.barchart.com/futures/quotes/SBH19/interactive-chart>

2) Fundamental reasons influencing sugar price were a surplus of over 10 million MT which was a result of higher production in India and Thailand. The situation was further deteriorated by export subsidies for sugar from India and Pakistan. However, Brazil with the advantage of its flexibility to produce sugar and ethanol came as supporting factor. Mills in the Center – South of Sao Paolo, the world biggest cane belt, diverted 64.4% of cane juice to produce ethanol, while allocated 35.6% for sugar production. Compared with the previous season, ethanol VS sugar ratio was just 53:47, therefore sugar production for 2017/18 decreased from 35 million MT to 27 million MT. It can be said that Brazil's great flexibility reduced the world sugar supply by 7 million MT.

3) World sugar consumption's growth in 2018/19 was modest at 0.57 %, clearly below traditional 2% per annual. Parts of the reasons that hindered the growth was an aggressive health campaign to reduce sugar taking and the implementation of sugar tax in 28 countries including Thailand. Food and beverage industries were the main group adjusting their formula to reduce and replace sugar with other sweeteners, while household consumption remained stable. Moreover, consumption growth was affected from competing sweetener product like High-Fructose Corn Syrup (HFCS), especially in the European Union, China, the US, Mexico, Argentina, Colombia and Chile. Other influential factors included population growth and per capita income (PCI).

Region wise, the growth existed in Some Asian and African countries where population growth and per capita income were still rising. In Asia alone, consumption in 2019/20 is expected to rise to 89.4 million MT, up from 88.3 million MT from previous year. Sugar consumption in Africa is forecasted to be around 23.3 million MT from 22.9 million MT increased from 2018/19. Consumptions in Europe, North and Central America, South America and Oceania plus Australia are stable at 30.78 million MT, 21.2 million MT, 19.3 million MT and 1.6 million MT respectively.



Source: World Sugar Balances 2010/11 – 2019/20 F.O. Lich's International Sugar and Sweetener Report, 06.01.2020

The consumption still resumes continuous growth but at a lower page compared to the traditional rate of 2% per year for the above-mentioned reasons.

4) In term of sugar trade, demand for raw sugar was relatively quiet throughout the year despite the low prices. Demand for raw sugar was also hampered by the Chinese government's announcement in August. Nevertheless, the additional tax of May, 2020 was cancelled by the announcement of the government of China. Moreover, sugar exporting

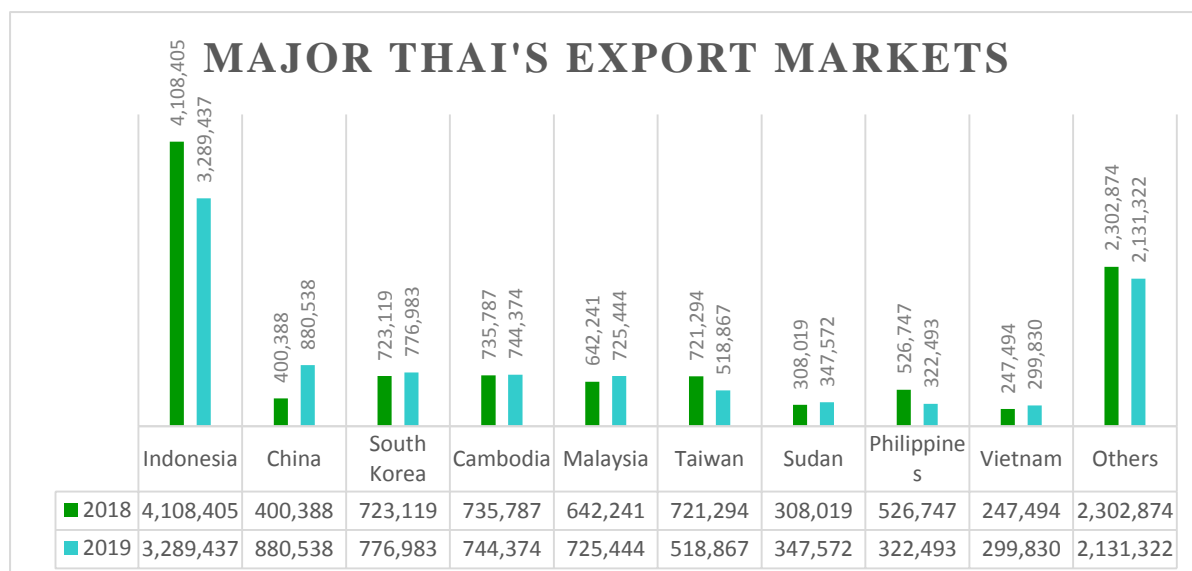
countries were suffering from India's sugar export and transport subsidies at 150 US\$/MT for 5 million MT's quota for 2018/19. India's export subsidy seriously affected Thai's export, especially in South Asia and African markets.

### Major Thai's Export Markets

Comparison of the amount of Thai sugar exports in January - December 2018 and 2019

Destinations	2018	2019
Indonesia	4,108,404.875	3,289,437.341
China	400,387.540	880,537.780
South Korea	723,118.556	776,982.780
Cambodia	735,787.400	744,374.394
Malaysia	642,240.950	725,443.952
Taiwan	721,293.810	518,866.700
Sudan	308,019.000	347,572.000
Philippines	526,747.086	322,493.000
Vietnam	247,493.760	299,830.024
Others	2,302,873.953	2,131,322.323
<b>Total</b>	<b>10,716,366.930</b>	<b>10,036,860.294</b>

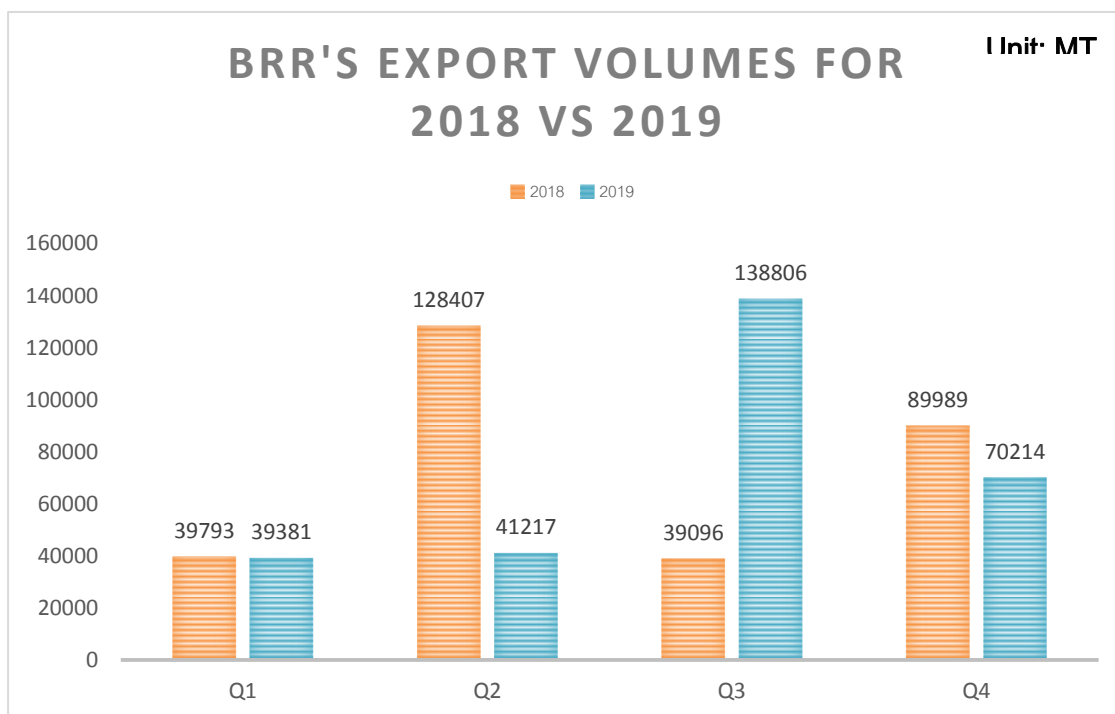
Source: Thai Sugar Millers Corporation Limited



Indonesia was Thailand's biggest raw sugar destination with 3.3 million MT shipped throughout 2019, a decrease of 4.1 million MT from the previous year. The surge in export was the lower Brazil's sugar output and high freight cost. Australia had also reduced its export to this market and directed its sugar to Japan where it has comparative

advantages on low tariffs from the recently concluded free trade agreement (Japan – Australia Economic Partnership Agreement). Other markets with significant export volumes were Myanmar, South Korea, Malaysia and the Philippines. South Korea and Malaysia had reduced their import volumes from Brazil and Australia, while the Philippines was suffering from drought and had to import more for domestic consumption.

For BRR, total export in 2019 was 289,618 MT, decreased from 7,667 MT in 2018 or 2.58%, as a result of cane volumes decreased. In 2017/18 crop year, BRR crushed 3.15 million MT of cane, while in 2018/19 the volumes were 2.94 million MT. Major markets for company sugar included Indonesia, China, Tanzania, and Senegal, etc. For 2019/20 crop year, it is expected to crushed 2 million MT of cane with around 230,000 – 240,000 MT of sugar. Droughts are key risks that affect sugarcane yields in term of volume decreased. The overall country as a whole in 2018/19 growing season, Thailand crushed 130 million MT of cane. For 2019/20 crop year, it is expected to crush around 80 million MT of cane which decreased up to 40 %.



#### Market Trend for 2019/20

For situation in the Crop year 2019/20, the important variables are Brazil, India, China and Thailand is four major key influences to world sugar market direction.



**Projection: World Sugar Production**

Unit: Million MT

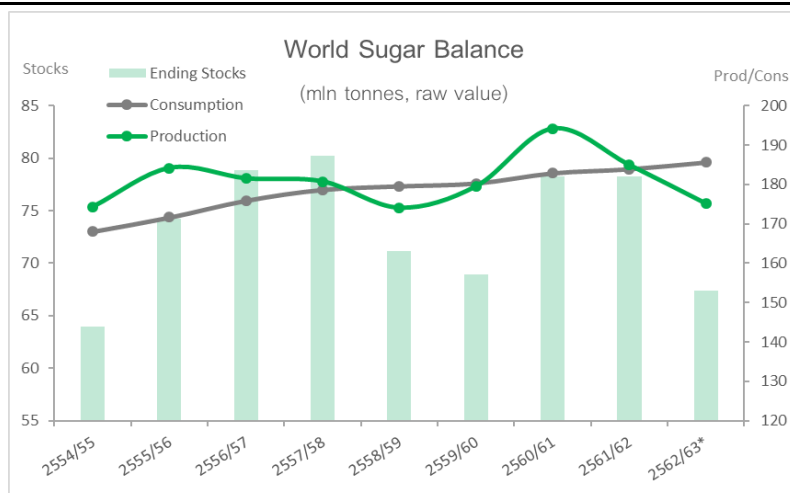
Institutes	2018/19	2019/20
ISO	+ 0.64	- 6.11
F.O. Licht	- 0.59	- 10.9
Greenpool	N/A	6.63
Datagro	- 1.58	N/A
Kingsman	+ 3.45	- 6.73
Citi	N/A	- 7.6
Rabobank	N/A	- 8.2
INTL FC Stone	- 0.7	- 7.7

Source: Thai Cane and Sugar Corporation Limited and Thai Sugar Trading Corporation Limited

1) During the past year, Brazil's sugar production has dropped from 33 million MT to 30 million MT as it has diverted cane juice to ethanol for better return compared to sugar. Even though the crop volume in other countries is substantially rising, its supply heads to opposite direction. As for 2019/2020, the central Brazil and the south of Sao Paulo show the total figure of sugar cane of 590 million tons and sugar of 26.7 million tons. Since ethanol is shown to be profitable, the ratio of manufacturing sugar cane is lower than that of ethanol at 34.3:65.7.

2) India is always the key to world sugar price movement. Indian Sugar Mills Association (ISMA) has predicted that sugar output in 2018/19 is above 33 million MT, Consumption stays at 26 million MT. Therefore, stocks from previous season plus current season are piling up at large amount. This stock combined with the subsidized export quota of 5 million MT at 150 US\$/MT are expected to put pressure on world price. Even though exported volumes might not reach its target. For the production season 2019/2020, India is expected to produce sugar as high as 26 to 27 million tons. This is explained by the condition of the weather whereas there remains some stocking pile of sugar. Moreover, the government has issued the exporting quota of 6 million tons including the exporting endorsement at 147 dollar per ton.

3) After the Chinese government increased imported tariffs for out-of-quota sugar from 50% to 90% in the middle of last year, imported volumes to one of the world biggest sugar importers have remarkably dropped from 2.79 million MT in 2015/16 to 1.8 million MT in 2016/17 and even went down further to 1.4 million MT in 2017/18. It is expected that for the current 2018/19 crop year, total imported volumes might not exceed 2 million MT. However, the pressure from several exporting countries causes the China government to annul the additional tax in May 2020. The crop quantity of China in 2019/2020 is expected at 10 million tons, although, the demand will take as much as 15 million tons. This requires China to import sugar especially white sugar.



Source: World Sugar Balances 2010/11 – 2019/20 F.O. Lich's International Sugar and Sweetener Report, 06.01.2020

4) Based on initial estimated, Thailand is expected to crush around 80 – 85 million tons of cane with around 9 million MT of sugar. Last crop, Thailand crushed 130.97 million tons of cane and produced 14.58 million MT of sugar. The total volume of canes decreased by 40 %. Cane reduction is said to be the effects of drought in some cane growing areas as well as acreage's decreases mostly from farmers switching to other competing crops after cane price has dropped flow low world price and changing of sugar regime in Thailand.

5) World's sugar production and consumption of sugar in 2019/20 is moving to the balanced state with a small deficit of 8 – 10 million tons as believed by several analysts. The world sugar supply and demand are also expected to enter deficit period for another 2 years before moving back to surplus.

#### Appendix

In 2018/19 crop year, there were 56 sugar factories in Thailand with the combined crushing capacities of over 130 million tons/year, producing 14.58 million MT of sugar. Crushing period usually starts from December in 2018 to April of the following year

#### Thai Sugar Mills at the crop year ended 2018/19

Group	No. of Factory (s)	Sugar (Metric Ton)	Market Share (%)
Mitr Phol	6	2,921,572	20.04%
Thai Roong Ruang	10	2,415,768	16.57%
KSL	5	1,144,413	7.85%
KTIS	3	1,032,849	7.08%
Korach	2	1,000,258	6.86%
Cristalla	3	709,282	4.86%
Wangkanai	4	685,202	4.70%
Eastern Sugar	2	492,482	3.38%
Thai Kanchanaburi	2	420,091	2.88%

Group	No. of Factory (s)	Sugar (Metric Ton)	Market Share (%)
Kumphawapi	2	394,219	2.70%
Buriram Sugar Factory	1	353,350	2.42%
Mitr Kaset	2	300,935	2.06%
Ratchburi	2	210,342	1.44%
Rayong	2	185,468	1.27%
Others	10	2,314,440	15.87%
<b>Total</b>	<b>56</b>	<b>14,580,671</b>	<b>100.00%</b>

Source: Thai Sugar Millers Corporation Limited

### (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 2018, BPC received the Excellence Award for the bagasse-fired cogeneration power plant project from Air Chief Marshal Prajin Jantong, Deputy Prime Minister and Minister of Justice in Thailand Energy Awards 2018 Event, hosted by the Department of Alternative Energy Development and Efficiency - Ministry of Energy, and it also achieved the First-runner up Award on the cogeneration category at the 36th ASEAN Ministers on Energy Meeting (36 AMEM) in Singapore.

#### *Energy Globe National Award 2019*



### 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 9 years/ PPA Expire on August 10, 2028)	20 years from the start of COD (FiT Agreement remaining 16 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 the sugar factory of BSG 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. In 2019, other two power plants received Energy Globe National Award 2019 organized by the Austria Embassy of Thailand partnered with the UN Environment Programme (UNEP), the first prize as the biomass power plants. 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 9.9 megawatts which shall be purchased by BSF 8 megawatts as needed. In addition, the three power plants also produce the high-pressure and low-pressure steam for BSF.

### ➤ 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.

### 1.1.3 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 2019, there were 2,073 projects of the biomass power plant for VSPP type in Thailand. There were 977 projects for on the power generation on the commercial operations (COD). The total installed capacity was 11,158.62 MW and the total sales quantity under the power purchase agreements was 8,894.04 MW.

#### 2019 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	0	0	0
Already received the respond but not sign PPA yet	0	0	0
Already signed PPA but not COD	40	234.90	207.53
Already COD	977	5,220.27	3,983.03
Cancelled purchases	134	429.60	378.44
Cancelled requests	265	1,357.75	1,113.33
Cancelled agreements	656	3,913.09	3,208.69
Projects under trial	1	3	3
Project under appeal	0	0	0
<b>Total</b>	<b>2,073</b>	<b>11,158.62</b>	<b>8,894.00</b>

Source: Energy Regulatory Commission (ERC) [\*http://www.erc.or.th/ERCSP/\*](http://www.erc.or.th/ERCSP/)

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

The proportion of using renewable energy to produce electricity					
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	500.00
Micro-Hydropower	101.75	108.80	142.01	172.12	376.00
Macro- Hydropower	-	-	-	2,906.40	2,906.40
<b>Total</b>	<b>2,592.87</b>	<b>3,523.23</b>	<b>4,182.53</b>	<b>7,590.28</b>	<b>18,354.40</b>

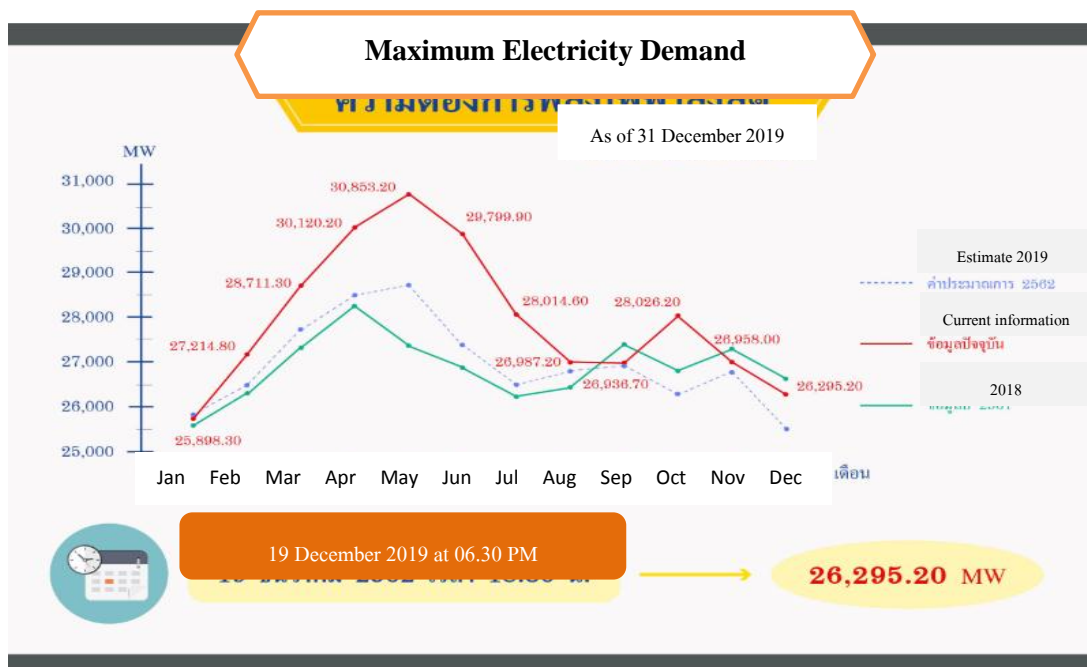
Source: Energy Regulatory Commission (ERC)

#### 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.



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

The maximum power demand of the running system of December occurred on December 19, 2019, at 6.30 p.m., which was equal to 26,295.20 MW was decreased by 662.80 MW or equivalent to 2.46%

### 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. In previous crop year, BSG purchased sugarcane leaves from more than 20,000 sugarcane farmers to for being used as a fuel to generate electricity due to sugarcane leaves have lower moisture content than bagasse. Thus, it is good and appropriate to use as a fuel for electricity generation, as well as it is able to control the risk of shortage of raw materials for electricity production. In the crop year of 2018/19, the company expects to use wood chips as a secondary material. Moreover, from the estimate of cane crushing that there will be 3.1 million tons of sugarcane in the crop year 2019/20, it will make the quantity of bagasse that is enough for being used as a fuel to generate electricity with full production capacity for three power plants.

### 3.1.5 Future Plan

After establishment the Buriram Sugar Group Power Plant Infrastructure Fund (BRRGIF) was approved by the Securities and Exchange Commission on August 1, 2017, and offering of all investment units. The company has taken such investment funding used for the expansion of power plant business, refined sugar project and also bagasse packaging project, as well as other projects of Buriram Sugar Group for value added creation and sustainable growth for Buriram Sugar Group. In addition, the 3<sup>rd</sup> power plant (BPP) has already operated; meanwhile BPP still keeps negotiating with the PEA whenever they open the round of negotiation to purchase electricity.

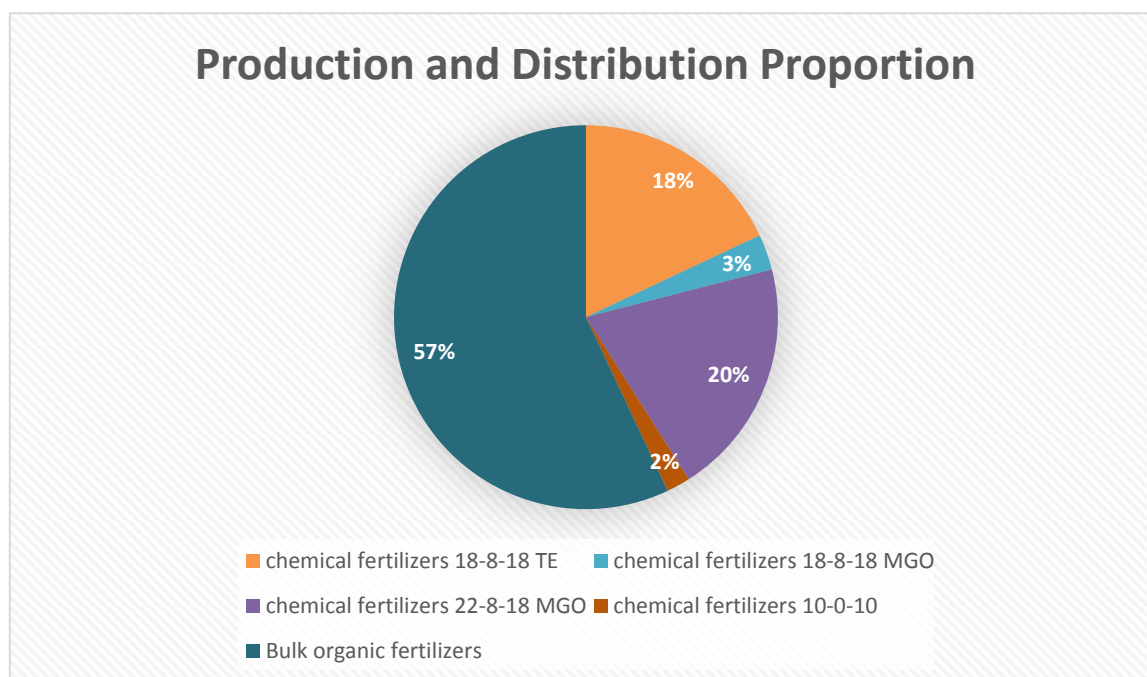
### 3.2 Organic Fertilizer Business operated by Key Brand Fertilizer Co., Ltd. ("KBF")

#### 3.2.1 Products and Services

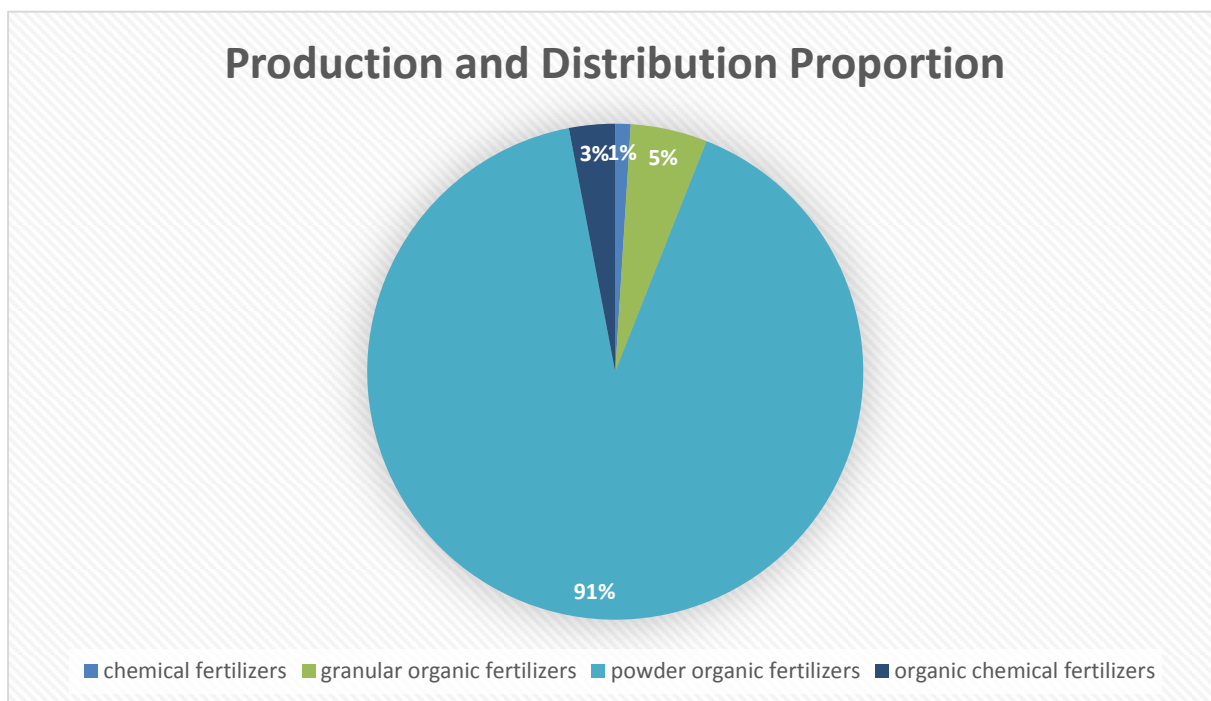
The Key Brand Fertilizer Company Limited or KBF registered in the year 2011, and currently, the 15 million Baht of its registered capital has already paid up .KBF has operated its production business and sold the organic fertilizers on December 2012 by using the decomposed filter product, which is a 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, granular organic chemical fertilizers and granular chemical fertilizers.

*Production and distribution proportion of each type of fertilizers to BRD*



*Production and distribution proportion of each type of fertilizers to external market*



### 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 harvests 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 this 2019/20 year, KBF has collaborated with BRD to start producing fertilizers by soil testing. The goal is to produce the fertilizer in its effort to preserve cane to become full of nutrient.

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. As a result, organic fertilizers help to keep moisture in the soil which enable vegetables to grow well.

In 2017, KBF has installed the fertilizer-manufacturing machines to enhance the capacity and competency of qualified fertilizers in every sack. 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 affiliate. 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**

#### ■ **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.

99% 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 16 distribution centers in sugarcane promoting area of BRD in Buriram province as follows:

<b>Promotion Zones</b>	<b>Distribution Center</b>
1.1	5 km Hinlekfai Sub-District
1.2	Ban Saw Ae, Khu Muang District
2	Ban Nong Khrua, Muang District
3.1	Ban Non Khwao, Stuek District
3.2	Ban Nong Phai, Stuek District
4	Ban Lagor, Stuek District
5	Bam Lamthamenchai, Stuek District
6.1	Ban Na Sinual and Ban Lung Muang, Lamphaimas District
6.2	Pho market, Lamphaimas District
7.1	Ban Nong Phai, Stuek District
7.2	Ban Sawaitana, Stuek District
8.1	Ban Chompra, Satuk District

Promotion Zones	Distribution Center
8.2	Ban Thungwang, Stuek District
9	Ban Chai Dan and Ban Kra Dueng, Nangrong District
10.1	Ban Palad Puk, Ban Dan District
10.2	Ban Dan, Ban Dan District

#### ■ External Market

KBF has expanded its products to the external market, starting from the area close to the factory. In the previous year, KBF initiated a market plan for powdered organic fertilizers, granular organic fertilizers, chemical organic fertilizers, chemical fertilizers, and liquid fertilizers throughout many agricultural shops and user channel directly so that farmers can try KBF's high quality and low-cost products. Moreover, it helps with the branding strategy among general farmers. In 2019, KBF has promoted products in 6 districts: Khu Mueang, Kaen Dong, Baan Mai Chaiyapoj, Bhudthaisong, Nong hong, Pakam and Mueang (Surin province) separated into 2 provinces: Buriram and Surin. Moreover, there were products exhibitions and promotion of the products to be more well-known, outdoor conferences with related organizations, as well as plantation visits of which sugarcane farmers use KBF's fertilizers for the main crops namely, rubber tree, cassava, melon, rice, jasmine, date palm and vegetable 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 2019, KBF together with BRD and the 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 areas, 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, as well as monitor customer's plantations constantly.

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, Sponsoring Muay Thai 7 color TV show, and Facebook). 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.

Regarding to agriculturists in Thailand have 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 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 4 % of the quantity of the sugarcane crushing of each operation year. As of present, there are raw material supply to support the needs of farmers. However, KBF has experimented on using new substitute materials to replace the main raw material. This project was due to a lack of raw material supply for cane farmers and under the process of experimental research for consideration.

### 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 by focusing on public relations campaigns for

promoting knowledge about the fertilizers to farmers and continuing to improve its product quality, as well as selling machines along with other agricultural products that will help escalate the revenue. Thus, there are the important issues of the market expansion plan as follows;

**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. The fertilizer will prove to help preserving the soil structure for maximizing their productivity per rai.

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

KBF has incessantly developed the effective and efficiency production of granular organic fertilizers and continued to do better to satisfy the farmers' need. In 2019, KBF will add another one product namely, chemical fertilizers that will meet the needs of the external market. KBF expects to further distribute to external market in the second quarter of 2019. 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 registered the company's trademark **"Pla Bin"** (Flying Fish) for further distribution.

**3. KBF has launched an active strategy to introduce **"Pla Bin"** (Flying Fish) fertilizer to farmers. It aims at market recognition. The trend has already been initiated in some ranches for example those of date palm, rubbers. The reception has been fair, and the strategy is likely to continue.**

**4. KBF has developed its products to reach certain degrees of diversity and fitting to its usage and sales potential in the market. To illustrate packaging of 1 kilogram and 25 kilograms are now registered to facilitate their buyer's choice.**

### *KBF's Selling Promotion Activities*

*Boots Activities at 2019 Annual General Meeting of Buriram Farmers  
(Organized by Buriram Sugarcane Farmer Association and Buriram PLC).*



**Booth Activity for promoting knowledge about the fertilizers to cane farmers in each supporting zone of 2019**





**Booth Activity to promote “Pla Bin” (Flying Fish) products at 2019 Kaset Fair in Surin province**



**Booth Activity 2019 Sisaket Volcano Durian fair & Rubber expo and innovation**



**Customer Visit Activities (Pla Bin Products)**



**Marketing/Sale teams of KBF joining the activity for receiving knowledge from Buriram Agricultural Research and Development Center and Community Enterprise of Sugarcane Business of Ban Soknark**



**3.3 Packaging for Environment Business Operated by Sugarcane Ecoware Co., Ltd. ("SEW")**

**3.3.1 Products and Services**

Sugarcane Ecoware Co., Ltd. or SEW was registered in 2018. Currently, the registered capital of the company is 75,000,000 Baht and fully paid-up. The company manufactures packaging for environment, with food packaging. Product will be distributed in modern retail store and wholesale store including restaurant, hotel business, and other businesses. The packaging products are made from bagasse as a main raw material. The manufacturing capacity is 200 - 250 million pieces per year.

By the end of December 2019, the building of factory has been finished and begun to operate in the first quarter of 2020 onward. Nevertheless, the plant could not have produced Bagasse within this quarter, but the construction is set to complete in the third quarter of 2020. So, this requires SEW to purchase bagasse pulp from the suppliers in order to launch a product to a market. If finished, the plant would be a leverage to compete with others in terms of material cost.

The company have 11 types of packaging products for distribution as follows:

- B001 Box size of 7"x5"
- B025 Box size of 9"x9"
- B026 Box size of 8"x8"
- P004 Plate size of 6"
- P005 Plate size 10"
- P009 Plate size 9"x6.5"
- P011 Plate size 7"

- P013 Plate size 9"
- L001 Bowl size 500 mm.
- L010 Bowl size 460 mm.
- L038 Bowl size 850 mm.

**Advantage of sugarcane container.**

- Naturally degrades for 100% in 45 days
- No additive and substance that cause cancer
- Can be used with oven and microwave for 800 Watt in 5 minutes.
- Can be used in freezer for -40 °C
- Can contain hot water and oil for 100 °C
- Long shelf life

**3.3.2 Market and Competition**

Currently, the demand of biodegradable packaging is raised continuously due to increasing number of waste and environmental impact; the company's product is in demand that is moving toward environmental-friendly product. Therefore, environmental-friendly product will replace demand for foam and plastic in the future, allowing more newcomers in the line of production. China would remain the globally dominant producer in a competitive market. Still, there are positive chances that an image of made in Thailand could penetrate any market as it is well-recognized by the world market. With the capacity of producing our own bagasse, this would a material cost leverage to compete in the international marketplace. As for domestic market, there is low awareness in an environment-friendly product's consumption. Even with the encourage from the government and local authorities replace foam and plastic to decomposable matter, the pricing remains a decisive factor when make a purchase in the view of an entrepreneur. This delays the growth of domestic market comparing to those developed nations whose an environment-friendly product is priority for example, the US, the UK, the Europe and Japan.

**Strategic Competition****1. Customer Features and Distribution Channels**

**Short-term** The company's target is modern retail store, wholesale store and general store, including restaurant, hotel, and other business related to foods through direct and indirect sale channels including the promotional channels of both public and private sectors.

**Long-term** Enter lower market and strive to replace container made from foam and plastic which has high volume of demand. The main factors for this condition are as follows.

- The consumer must know and understand the benefit of product to environmental-friendly and understand the negative impact of product made from foam and plastic.
- The price must be able to compete with product made from foam and plastic.
- The model must be cover a variety of the demand and needs of consumer.



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## 2. Price Policy

Because this type of product is so essential that it is very competitive. The mass producer would usually be the one who set the price. This is true in the case of China. Companies cannot set their own price but to adjust it according to both domestic and international market price. This allows them to compete in terms of pricing.

## 3. Promotion

Advertisement and public relation will be used for communicate with user directly through event organizing both in Thailand and abroad and participating in various projects conducted by public and private agencies in order to raise product awareness and its company. Besides, the product qualifications are specified with emphasize on the message on package label that can be easily seen and understand such as health safety – no toxicity, environmental-friendly and degrades naturally in 45 days.

## 4. Raw Material Supply

The company has the stability of raw material supply as the BSG is sugar producer and produces bagasse from sugar production process 900,000 ton per year, which requires for packaging production only 18,000 ton per year. Therefore, the company has enough raw materials for production.

## 5. Product Development

Currently, the consumer consumption trend is changing and the demand for one-time-use packaging was raised continuously. Thus, the development of one-time-use packaging product is consistent with the consumer's demand at present and future market. Environmental impact is also one of the topics that influence consumer's decision, especially for one-time-use packaging that is environmentally friendly. For this reason, there is the development of product that is consistent with this trend both within the country and globally, along with material and production technique to innovate new packaging product for the future. Apart from food packaging, the products can be developed into packaging for other products as well.

### 3.3.3 Industry Situation and Competition

Currently, the demand for one-time-use packaging continues to rise. There are developments in many raw materials and production technique to meet consumer's demand in the present and future. Most of products are made from foam and plastic. However, due to the environment problem is serious in the present and in the future. According to Pollution Control Department data from 2012-2016, the amount of foam waste increased from 56 to 61 million pieces per day. In 2016 the amount of foam waste was reached to 1.3 million ton per year or 3,704 ton per day – 61 million pieces per day. On average, a Thai population creates 1 foam waste per day.

Foam is resistance to natural degradation and will take more than hundred years comparing to other material. Foam is mostly used in food container, which after uses it requires complicated process to recycle which leads to higher cost. Related department tries to solve this problem, notably the Office of the Consumer Protection Board, in cooperation with other entity try to find solution on how to decrease the use of foam material which is expected to be in

effect in short years. In addition, the toxicity found in food container from foam and plastic materials decrease the quality of life and health of the consumer in the long run.

Source: [http://www.tnnthailand.com/v1/news\\_detail.php?id=132980&t=news\\_special](http://www.tnnthailand.com/v1/news_detail.php?id=132980&t=news_special)

Domestic market trend, the government sees the importance of environment and creates more policy to enforce environmental friendliness. However, operator still requires better support and promotion from government to raise awareness of the environmentally friendly trend and to inform consumer of the benefit of naturally degradable product.

Global market trend, many countries in Europe and Asia has put in place or is in the process to reduce the use of plastic and foam. These measures cause plastic and foam product manufacturer to bear more waste management cost – directly leading to higher price. On the other hand, the demand for environmental-friendly container is increasing but there is only small number of capable business to meet demand. Most developed country pay attention to environment to improve quality of life of its population. The company will aim to market its product to the country which cares about environment, especially in the country where there is a legal limit to the use of foam or plastic container, or the country in the process to do so such as in China, Japan, USA, and Europe, etc.

From the trends as mentioned above, the trend is consistent both in Thailand and foreign. Therefore, there is development of both raw materials and production processes for creating new innovations to respond the need as mentioned.



### 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 sugarcane as main raw material. However, BSF does not own sugarcane farm sufficiently for production capacity, thus to allocate sufficient sugarcane for crushing is the most important factor affecting the operations and the performance of the company. The quantity of sugarcane available each season is depended on these main factors:

(a) The risk from changes of the amount of planting areas which may cause by the decrease of the sugarcane price affecting to the farmers to grow other agricultural plants that gain the higher price instead or the government supporting policy to appropriately allocate the planting zone, also known as zoning. Nevertheless, Buriram province is one of the pioneer areas to switch from rice to sugarcane plantation according to the policies issued by 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 2019. Hence, the amount of the sugarcane plantation has gradually increased but there will be some years that the company meet with drought as result of sugarcane planting area are decreased as shown in the following table:

Crop Year	Sugarcane Plantation (Rai)	Number of Plots (Plot)	Average Production (Ton/Rai)
2012/13	129,571.31	21,876.00	13.51
2013/14	168,763.90	28,460.00	10.43
2014/15	177,167.67	30,934.00	11.01

Crop Year	Sugarcane Plantation (Rai)	Number of Plots (Plot)	Average Production (Ton/Rai)
2015/16	185,062.64	32,876.00	12.15
2016/17	181,202.71	30,872.00	13.22
2017/18	247,090.68	40,003.00	13.76
2018/19	197,360.15	30,173.00	12.26

(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. The company produces the fertilizers from filter cake as a main raw material which is a by-product from sugar production process.

(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 2019/2020, BRD has the policy for supporting the complete irrigation system in the sugarcane plantation – by applying the irrigation system for managing the water supply in the sugarcane plantation with efficiency, in order to increase the sugarcane's productivity and create sustainability in sugarcane production.

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 and 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 2019, the price of New York Sugar No. 11 was averaged at 12.35 cent per pound and the price of London Sugar No. 5 was averaged at 332.93 U.S. Dollars per Metric Ton.

**Average Price of New York Sugar No.11**

Fiscal year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Average Price (Cent/Pound)	18.08	22.14	27.09	21.55	17.47	16.32	13.12	18.18	15.78	12.24	12.35

**Average Price of London Sugar No.5**

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Average Price (US\$/Ton)	487.86	614.79	706.39	587.68	489.71	440.04	373.40	500.39	433.25	343.79	332.93

Source: Investing.com

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.

However, 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, BSG has invested in many projects related to the sugar and molasses business such as the biomass power plant by using bagasse, the factory producing and distributing organic fertilizer. Recently, it has also invested in the biodegradable bagasse packaging factory to strengthen its operation and the income portfolio management. This will help to minimize the fluctuation of world sugar price which will be decreased the impact on revenue or operating results base on the mechanics of the sugar price in global market.

**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.

According to such advance payment loans mentioned above, if the sugarcane farmers were unable to bring the sugarcane for crushing as per agreement, which may be subject to many causes such as; drought problem, flood or epidemic, etc. Hence, the company shall be at risk of doubtful accounts from non-performing loan in the event that the sugarcane farmers unable to pay the debts on the due date, and the company will be forced the doubtful accounts increase, and it also directly affected the BSF's operating results during 2015 until 2019. Whereas, the company has set the allowance for doubtful accounts as below;

(Unit: Million Baht)

Item	2015	2016	2017	2018	2019
Allowance for Doubtful Accounts	3.44	0.74	10.28	4.56	5.14
Sugarcane Farmers Account Receivable	782.61	1,069.92	957.07	682.56	299.77
Percentage of Doubtful Accounts	0.44	0.07	1.07	0.67	1.71

The ratio of allowance for doubtful accounts during 2015 to 2019 was approximately 0.79% 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 70% 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.

In addition, the company also closely monitors the movement of the currency exchange rates, in order to take any actions required due changed situation on time and continues studying the financial instruments: Option and Swap. However, the prevention of the mentioned risk factors may not be able to prevent from the risks, if Thai Baht currency tends to rise consecutively in long-term.

## **1.5 Risk from Governmental Control**

### **1.5.1 Risk from Government Policy**

Due to systematic industrial restructuring of cane and sugar which took place on January 15, 2018, it unveiled its strategic direction to neutralize the sugar pricing for domestic consumption and to take its course in market mechanism. The benefit is showed in a drop in sale price owing to the world market. In addition, there is another concern in floating price downward trend which may have effect on cane pricing especially for the farmers.

From close examination by the board, we were managed to gather an analysis, evaluate the possibilities and make plans for the abovementioned restructuring, not to mention to adjust the sale and production strategies to its fitness. This would include an improvement in some process to cut down the costs.

However, at the in-season produce 2019/2020, there are several factors in calculating the revenue sharing which consist of the determination and methodology of income speculation, disbursement of cane and sugar and the ratio of the farmers and factories' return. The new formula is likely to drive the sugar pricing upward as high as 17.25 to 18.25 Thai baht.

### **1.5.2 Risk from the Fluctuating Income from Sugar Sales**

As the sugarcane crushing season is expected to last from November throughout April, we are launching the sugarcane sale since December onward. The trade would come to an end in the next December. The company would take certain movements into account that include sugar stock level, production quantity, sugar pricing in the world market and the sale price which Thai Cane & Sugar Corporation Company Limited sales to the world market to reach an exporting bar. Nonetheless, the production quantities are not consistent, so each companies' revenues may fluctuate accordingly.

The company has been keeping up with the risk of the revenue volatility and the world market trend. We established the working committee to supervise the stock balance which the meeting would normally take place every two weeks to make the most use of information.

## **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.

Furthermore, the company has officially formed the Cane and Sugar management team which consists of the representatives from each relevant business unit to collaboratively perform their duties in analyzing and assessing potential situations for sugar distribution with consideration of the total volume of sugar from sales and its remaining. The meeting of this team is held every two weeks.

#### **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 sugarcane in the crop year is small, it will affect to the insufficiency of bagasse for electricity generation and the break-off of the generator accordingly.

In the production year 2018/2019, the company had bagasse after crushing in amount of 827,762.88 tons which is 28.24% of the sugarcane for crushing, which the sugar factory uses it as the fuel for heat generation in the process of sugar production as following.

<b>Results of Fuel Consumption</b>	<b>BEC</b>	<b>BPC</b>	<b>BPP</b>
Crushing Season	900	1,000	950
Melting Season	650	600	700
The period of fully condensing electric power generation	430	470	-

Originally, the company uses sugarcane bagasse as the main source of fuel for electricity generation, we later began using other supplementary types of bio-energy. The past year, the woodchip material substitutes are used as fuels for the prevention of bagasse insufficiency for electricity generation.

##### **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 and applying the exhaust from the chimney onto the sugar product development process in order to decrease the amount of the occurred exhaust.

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 Provincial Industry Office and Provincial Industrial Estate Authority. Such certificate can be explained that the company has emphasized the environmental management systematically, assesses and review the practices continuously.

In 2019, Buriram Power Co., Ltd. (“BPC”) received the first runner-up of Energy Globe National Award 2019 as biomass power plant by the Consul of Commerce, at Australian Embassy of Thailand. Energy Globe National Award is today’s most prestigious environmental awards. It is awarded annually to projects focusing on sustainable development,

With participating 187 countries, Energy Globe National Award is one of today’s most prestigious environmental awards and stands for an internationally recognized trademark for sustainable action. It is established since 1999 by Mr. Wolfgang Neumann, the Austrian energy pioneer in cooperation with UNEP.

## **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 3-6 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.

Currently, the company has the method of using organic powdered fertilizer which can improve the efficiency of the sugarcane farmer’s performance. As of which, it has been developed for four years – it was started from developing the machine. It decreases the step of working process, duration of plantation preparation for rain season, and increase the widespread use of organic powdered fertilizers.

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 waste water ponds in the rainy season, 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. In August 2018, KBF has achieved the award for implementing environmental governance principles in the operation of the business under the environmental governance project by the Ministry of Industry.

## Other Risks

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

According to the financial statement's year ended on December 31, 2019 and December 31, 2018, the D/E ratio of the company is equivalent to 4.06% and 3.11% 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, 2019, 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 4.06 times
- Case 2 Interest Bearing Debt to Equity: IBD/E ratio equivalent to 3.57 times
- Case 3 Debt to Equity: D/E ratio excluding Infrastructure Fund equivalent to 2.32 times
- Case 4 Interest Bearing Debt to Equity: IBD/E Ratio excluding Infrastructure Fund equivalent to 1.83 times

In 2017, 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 74.84% 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 has the Internal Audit Unit to be subject to the Audit Committee, and External Audit 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 risk management of the entire organization to be an acceptable level (Risk Appetite). Moreover, the company appointed the Nomination and Remuneration 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, 2019, the core operational assets of the company and its subsidiaries had net value after deduction of the accumulated depreciation on the consolidated financial statements 5,674,842,200 Baht with details as follows:

Items	Net value after deduction of the depreciation (Baht)	Ownership	Encumbrance
<b>Consolidated Financial Statements</b>			
Land and Land Development	362,288,816	Owner/ long-term rental	Collateral <sup>1</sup>
Building and Building Development	981,658,785	Owner	Collateral <sup>1</sup>
Machinery, Furniture, Equipment and Vehicles	4,062,813,066	Owner	Collateral <sup>1</sup>
Assets in Construction	268,081,533	Owner	-
<b>Total</b>	<b>5,674,842,200</b>		

Remark: <sup>1</sup> 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, 2019, are described as follows:

##### 4.1.1 Land

Asset	Location	Area	Objective of Ownership	Ownership	Encumbrance
Land	- Hinlekfai, Kumueang, Buriram	- 1,240 Rai, 3 ngan, 47 sq. wah	Sugar factory	Owner	Some in collateral <sup>1</sup>
Land	- Hinlekfai, Kumueang, Buriram	- 636 Rai, 1 ngan 26 sq. wah	Biomass-fired power plant and organic fertilizer factory	Owner and some in long-term rental agreement	Some in collateral <sup>1</sup>

Asset	Location	Area	Objective of Ownership	Ownership	Encumbrance
Land	- Nong Plong, Chamni, Buriram	- 770 Rai, - ngan, 47 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	-
Land	- Na Nuan Sanom, Surin	- 188 Rai, 2 ngan, 94 sq. wah	Sugar factory	Owner	-
<b>Total</b>		<b>2,885 Rai, 9 ngan, 307 sq. wah</b>			

Remark: <sup>1</sup> 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 <sup>1</sup>
<u>Sugar Factory (BSF)</u> - Factory building; 11,967 square meters - Sugar refinery building - 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 - Wastewater treatment pond; 430 square meters	Hinlekhai, Kumueang, Buriram	Power generation and distribution	Owner	Collateral



Asset	Location	Objective of Ownership	Ownership	Encumbrance <sup>1</sup>
<ul style="list-style-type: none"> <li>- Office of subsidiary</li> <li>- Accommodation, guardhouse and warehouse</li> </ul>				
<u>Power Plant (BPC)</u> <ul style="list-style-type: none"> <li>- Power generation building; 19,500 square meters</li> <li>- Plant and building; 12,100 square meters</li> <li>- Wastewater treatment pond; 430 square meters</li> <li>- 1 bagasse storage; 3,170 square meters</li> </ul>	Hinlekfai, Kumueang, Buriram	Power generation and distribution	Owner	Collateral
<u>Power Plant (BPP)</u> <ul style="list-style-type: none"> <li>- Power generation building; 19,500 square meters</li> <li>- Plant and building 12,100 square meters</li> <li>- Wastewater treatment pond; 430 square meters</li> <li>- 1 bagasse storage; 3,170 square meters</li> </ul>	Hinlekfai, Kumueang, Buriram	Power generation and distribution	Owner	-
<u>Fertilizer Factory (KBF)</u> <ul style="list-style-type: none"> <li>- Area for filter cake before production; 48,000 square meters</li> <li>- Production building; 2,000 square meters</li> <li>- Warehouse; 3,000 square meters</li> <li>- Factory building and office; 5,000 square meters</li> <li>- Wastewater treatment system area; 60 square meters</li> </ul>	Hinlekfai, Kumueang, Buriram	Fertilizer production and storage	Owner	Collateral
13 Offices of Extension in 16 District <ul style="list-style-type: none"> <li>- Office of Extension, District 2</li> <li>- Office of Extension, District 3.1 and 4</li> <li>- Office of Extension, District 9</li> <li>- Office of Extension, District 10.1</li> <li>- Office of Extension, District 10.2</li> </ul>	Buriram  Ban Nongkrue A.Mueang, Ban Lakoh A.Sa Tuek, Ban Kradueang A.Nangrong, Ban Pladpook A.Baandan, Bandan A.Bandan		Rental	-

Asset	Location	Objective of Ownership	Ownership	Encumbrance <sup>1</sup>
- Office of Extension, District 5	Nakhon Ratchasima Ban Nong Bua Wong A.Lam Tamenchai	Offices of Extension to provide services to farmers	Rental	-
- Office of Extension, District 1.1 and 1.2 - Office of Extension, District 3.2 and 7.1 - Office of Extension, District 6.1 - Office of Extension, District 6.2 - Office of Extension, District 7.2 - Office of Extension, District 8.1 - Office of Extension, District 8.2	Buriram Ban Sao Ae A.Kumueang, Ban Nongphai A.Satuek, Ban Nasrinual A.Lamplaimat Ban Taladpho A.Lamplaimat Ban Sawai Ta Nguan A.Sa Tuek, Ban Samet A. Sa Tuek, Ban Tungwang A. Sa Tuek	relating to plantation	Owner	-
Office Building - Room No.128/77-78 - Room No.128/80 - Room No.128/75	7 <sup>th</sup> Floor, Phayathai Plaza Building	Bangkok Office	Owner	-

Remark: <sup>1</sup> 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 <sup>1</sup>
<u>Main machine for sugar production (BSF)</u> - Machine for sugarcane juice extractor with capacity of 17,000 tons/ day	Hinlekfai, Kumueang, Buriram	Sugar production	Owner	Collateral

Asset	Location	Objective of Ownership	Ownership	Encumbrance <sup>1</sup>
<ul style="list-style-type: none"> <li>■ 7 machines for sugarcane receiving and uploading</li> <li>■ 2 machines for sugarcane preparation</li> <li>■ 10 machines for sugarcane crushing</li> <li>- Machine for juice clarification with capacity of 14,000 tons/ day               <ul style="list-style-type: none"> <li>■ 6 warming boilers</li> <li>■ 3 heating-up boilers</li> <li>■ 4 filters</li> </ul> </li> <li>- Machine for crystallization with capacity of 1,680 tons/ day               <ul style="list-style-type: none"> <li>■ 6 boilers for crystallization process</li> </ul> </li> <li>- Machine for centrifuging to separate sugar crystals and dry with capacity of 1,680 tons/day               <ul style="list-style-type: none"> <li>■ 11 centrifuging machines for separating sugar crystals from the mother liquor</li> </ul> </li> <li>- Machine for drying sugar with capacity of 1,680 tons/ day               <ul style="list-style-type: none"> <li>■ 2 machines for drying sugar</li> </ul> </li> <li>- A set of the Electric Generator.               <ul style="list-style-type: none"> <li>■ 1 Electric Generator</li> <li>■ 9 Transformers</li> <li>■ 9 Cranes</li> </ul> </li> <li>- Sugar Refinery Machine               <ul style="list-style-type: none"> <li>- Raw Sugar Bucket Elevator</li> <li>- Raw Sugar Weigher</li> <li>- Raw Sugar Magma</li> <li>- 2 Raw Sugar Magma Pumps</li> <li>- Material pump 1-2 (Plate EVAP.)</li> <li>- Refine suger Rotary Dryer</li> <li>- A Molasse Pump</li> <li>- Hot Water Supply Pump 1</li> <li>- Raw Liquor Pump 1/3</li> <li>- Raw Liquor Pump 2/3</li> <li>- Raw Liquor Pump 3/3</li> </ul> </li> </ul>				

Asset	Location	Objective of Ownership	Ownership	Encumbrance <sup>1</sup>
<ul style="list-style-type: none"> <li>- Liquor Liming Unit</li> <li>- Raw Liquor Liming Tank</li> <li>- Carbonator tank No.2 (with calandria)</li> <li>- Carbonator tank No.3 (with calandria)</li> <li>- Carbonator tank No.1</li> <li>- Circulated Pumps 1/3</li> <li>- Circulated Pumps 2/3</li> <li>- Circulated Pumps 3/3</li> <li>- HPA Prepare Tank 1-2 (old tank)</li> <li>- Carbonate Liquor Pump 1 (pump and filter set 1 HPD)</li> <li>- Carbonate Liquor Pump 2 (pump to and set 1 HPD)</li> <li>- Gas Scrubber 1</li> <li>- Gas Scrubber 2</li> <li>- Damper 1-6</li> <li>- Sweet water Pump 1</li> <li>- Sweet water Pump 2</li> <li>- Plate Heater</li> <li>- Condensate Plate Evap. 1-3 Pump</li> <li>- Scrubber Spray Water Pump 1/2</li> <li>- Scrubber Spray Water Pump 2/2</li> <li>- CO2 Gas Storage Tank 1-3 (after pumping CO2)</li> <li>- Gas Separator 1/3 (Trapped Gas at CO2 pipeline)</li> <li>- Gas Separator 2/3 (Trapped Gas at CO2 pipeline)</li> <li>- Gas Separator 3/3 (Trapped Gas at CO2 pipeline)</li> <li>- CO2 Gas Compressors 1/3</li> <li>- CO2 Gas Compressors 2/3</li> <li>- CO2 Gas Compressors 3/3</li> <li>- Scrubber Water Tank</li> <li>- Scrubber Water Pumps 1/2</li> <li>- Scrubber Water Pumps 2/2</li> <li>- In-line Static Mixer (before filling in Carbonator tank)</li> <li>- HPD Mixing Tank</li> </ul>				

Asset	Location	Objective of Ownership	Ownership	Encumbrance <sup>1</sup>
<ul style="list-style-type: none"> <li>- Carbonate Liquor Tank</li> <li>- Carbonate Liquor Pump 3 (pump and filter set 1 HPD)</li> <li>- Carbonate Liquor Pump 4 (pump and filter set 1 HPD)</li> <li>- Filter Press for First Filtration 1/5</li> <li>- Filter Press for First Filtration 2/5</li> <li>- Filter Press for First Filtration 3/5</li> <li>- Filter Press for First Filtration 4/5</li> <li>- Filter Press for First Filtration 5/5</li> <li>- Raw sugar Mobile belt conveyor 1-2 (used in the warehouse)</li> <li>- Clear Liquor-1 Tank</li> <li>- Clear Liquor-1 Pump 1 (pump and filter set 2 HPA)</li> <li>- Clear Liquor-1 Pump 2 (pump and filter set 2 HPA)</li> <li>- HPA Mixing Tank</li> <li>- HPA Prepare Tank 3 (new tank)</li> <li>- Clear Liquor-1 Pump 3 (pump and filter set 2 HPA)</li> <li>- Carbonate Liquor Pump 5 (pump and filter set 1 HPD)</li> <li>- Filter Press for Second Filtration 1/3</li> <li>- Filter Press for Second Filtration 2/3</li> <li>- Filter Press for Second Filtration 3/3</li> <li>- Raw Sugar Storage Bin &amp; Hopper (Recovery Station)</li> <li>- Clear Liquor-2 Tank</li> <li>- Clear Liquor-2 Pump 1/2</li> <li>- Clear Liquor-2 Pump 2/2</li> <li>- Check Filters 1-2</li> <li>- Check Filters 3-4</li> <li>- Check Filters 5-6</li> <li>- Fine Liquor Tank</li> <li>- Fine Liquor Pump 1/2</li> <li>- Fine Liquor Pump 2/2</li> </ul>				



Asset	Location	Objective of Ownership	Ownership	Encumbrance <sup>1</sup>
<ul style="list-style-type: none"> <li>- Cake Hopper</li> <li>- Cake Belt Conveyor</li> <li>- Filter Cake Bin</li> <li>- Milk of Lime Supply Pump 1/2</li> <li>- Milk of Lime Supply Pump 2/2</li> <li>- Preheater Plate</li> <li>- Plate Evaporator Effect 1st</li> <li>- Hot water HI Pressure Pumps 1</li> <li>- Hot water HI Pressure Pumps 2</li> <li>- Hot water HI Pressure Pumps 3</li> <li>- Hot water HI Pressure Pumps 4</li> <li>- Plate Evaporator Effect 2nd</li> <li>- Plate Evaporator Effect 3rd</li> <li>- Hot Water Preparation Tank</li> <li>- Hot Water Supply Pump 2</li> <li>- Hot Water Supply Pump 3</li> <li>- Sweet water Tank</li> <li>- Condensate water Tank</li> <li>- Condensate water Pumps 1/2</li> <li>- Condensate water Pumps 2/2</li> <li>- Concentrated Liquor Tank</li> <li>- Concentrated Liquor Pumps 1/2</li> <li>- Concentrated Liquor Pumps 2/2</li> <li>- Condenser</li> <li>- R1 Refined Massecuite Vacuum Pan No.6</li> <li>- R1 Refined Massecuite Vacuum Pan No.5</li> <li>- R1 Massecuite Receiver 1/2</li> <li>- R1 Massecuite Receiver 2/2</li> <li>- R1 Massecuite Distributor</li> <li>- R1 TSK Massecuite Centrifugals</li> <li>- Raw Sugar Belt Conveyor &amp; Masscuite Distributor</li> <li>- R1 Molasses Receiving Tank</li> <li>- R1 Molasses Pumps 1/2</li> <li>- R1 Molasses Pumps 2/2</li> </ul>				

Asset	Location	Objective of Ownership	Ownership	Encumbrance <sup>1</sup>
<ul style="list-style-type: none"> <li>- R2 Refined Massecuite Vacuum Pan No.4</li> <li>- R2 Massecuite Receiver</li> <li>- R2 Massecuite Distributor</li> <li>- R1/R2 Sugar Belt Conveyor</li> <li>- R2 Molasses Receiving Tank</li> <li>- R2 Molasses Pumps 1/2</li> <li>- R2 Molasses Pumps 2/2</li> <li>- Concentrated Liquor Tank</li> <li>- Condensate Tank</li> <li>- Hot Water Tank for R3/R4</li> <li>- R1 Molasse Tank</li> <li>- R2 Molasse Tank</li> <li>- R3/R4 Molasse Tank</li> <li>- R3/R4 Refined Massecuite Vacuum Pan</li> <li>- R3/R4 Massecuite Receiver</li> <li>- R3/R4 Massecuite Distributor</li> <li>- R3/R4 Sugar Belt Conveyor</li> <li>- R3/R4 Molasses Receiving Tank</li> <li>- R3/R4 Molasses Pumps 1/2</li> <li>- R3/R4 Molasses Pumps 2/2</li> <li>- R3/R4 Magma Mingler</li> <li>- R3/R4 Magma Tank</li> <li>- Refined Sugar Bucket Elevator</li> <li>- Refined Sugar Dryer</li> <li>- Forced Draft Fan (Dryer)</li> <li>- Plate Air Heater</li> <li>- Induced Draft Fan (Dryer)</li> <li>- Refined Sugar Cooler</li> <li>- Vibrating Screen after Sugar Cooler</li> <li>- Refine sugar Belt conveyer in &amp; out Rotary dryer</li> <li>- Cooler Fan</li> <li>- Chiller Unit for Dryer - Cooler</li> <li>- Pump seal Water AHU</li> <li>- Wet Scrubber</li> </ul>				

Asset	Location	Objective of Ownership	Ownership	Encumbrance <sup>1</sup>
<ul style="list-style-type: none"> <li>- Transformers for CO2 Plant</li> <li>- Lumps Sugar Melter</li> <li>- 2 Spray water pump</li> <li>- Magnetic Separator</li> <li>- Pipe for CO2 Gas Plant</li> <li>- Pipe for Remelt, Decolorization, and Concentration Plant</li> <li>- Paints for 10,000 sq.m.</li> <li>- Insulation Materials for 10,000 sq.m.</li> <li>- Transformers</li> <li>- Electric Distribution and accessories</li> <li>- Temperature Controller system</li> <li>- Pressure and Temperature Controllers system</li> <li>- Carbonation control</li> <li>- Decolorizer control</li> <li>- Evaporator control</li> <li>- Refined Pan control</li> <li>- Dryer control</li> <li>- DCS+COMPUTOR SYSTEM</li> <li>- 4 Air Compressor</li> <li>- 2 Air Compressor Tank</li> <li>- Air Conditioners</li> <li>- Air Conditioner</li> </ul>				
<u>Power Plant (BEC)</u> <ul style="list-style-type: none"> <li>- Power Generator               <ul style="list-style-type: none"> <li>■ 2 generators</li> <li>■ 2 transformers</li> <li>■ 1 boiler</li> </ul> </li> </ul>	Hinlekhai, Kumueang, Buriram	Power generation	Owner	Collateral
<u>Power Plant (BPC)</u> <ul style="list-style-type: none"> <li>- Power Generator               <ul style="list-style-type: none"> <li>■ 2 generators</li> <li>■ 2 transformers</li> <li>■ 1 boiler</li> </ul> </li> </ul>	Hinlekhai, Kumueang, Buriram	Power generation	Owner	Collateral

Asset	Location	Objective of Ownership	Ownership	Encumbrance <sup>1</sup>
<u>Power Plant (BPP)</u> - Power Generator <ul style="list-style-type: none"> <li>■ 2 generators</li> <li>■ 2 transformers</li> <li>■ 1 boiler</li> </ul>	Hinlekfai, 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	Hinlekfai, Kumueang, Buriram	Fertilizer production	Owner	Collateral
<u>Pulp &amp; Packaging Mill (SEW)</u> - Crushing Machine HAIGH - Vacuum Forming Machines	Hinlekfai, Kumueang, Buriram	Packaging product	Owner	Collateral

Remark: <sup>1</sup> 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, 2019
3 sugarcane harvesters	Sugarcane harvesting service for sugarcane farmers	7,432,365.48

#### 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	<b>White sugar</b> Submission date: September 11, 2013 Announcement date: July 18, 2014
	Trademark for organic fertilizers	<b>Organic fertilizers</b> Submission date: August 28, 2013 Announcement date: June 26, 2014
	Trademark for chemical fertilizers	<b>Chemical fertilizers</b> Submission date: May 20, 2014 Announcement date: August 20, 2014
	Trademark for organic and chemical fertilizers	<b>Organic and chemical fertilizers</b> Registration date: September 3, 2013 (the company purchased the trademark and already transferred the trade certificate)
	Trademark for sugar	<b>Sugar</b> Submission date: September 16, 2015 Announcement date: April 27, 2016

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, 2019 was 10,048,410,000 Baht with details as follows:

Company	Details of Assets Insured	Type of Insurance	Beneficiary	Insurance Date	Termination Date	Insurance Limit (Baht)
BSF	<ul style="list-style-type: none"> <li>- Construction of factory building (foundation excluded), sugar warehouse</li> <li>- Machinery for sugar production</li> <li>- Product stock; White sugar, raw sugar, Molasses and Bagasse</li> </ul>	Property insurance	Financial institution	October 31, 2019	October 31, 2020	7,230,000,000
BEC	<ul style="list-style-type: none"> <li>- Construction of factory building (foundation excluded)</li> <li>- Machinery for power generation</li> <li>- Office equipment</li> <li>- Raw materials stock</li> </ul>	Property insurance	Financial institution	October 31, 2019	October 31, 2020	846,500,000
BPC	<ul style="list-style-type: none"> <li>- Construction of factory building (foundation excluded), Office equipment</li> <li>- Machinery for power generation</li> <li>- Raw materials stock</li> </ul>	Property insurance	Financial institution	October 31, 2019	October 31, 2020	954,700,000

Company	Details of Assets Insured	Type of Insurance	Beneficiary	Insurance Date	Termination Date	Insurance Limit (Baht)
BPP	<ul style="list-style-type: none"> <li>- Construction of factory building (foundation excluded), Office equipment</li> <li>- Machinery for power generation</li> <li>- Raw materials stock</li> </ul>	Property insurance	Financial institution	October 31, 2019	October 31, 2020	527,010,000
KBF	<ul style="list-style-type: none"> <li>- Construction of factory building (foundation excluded)</li> <li>- Machinery for fertilizer production</li> <li>- Product stock</li> </ul>	Property insurance	Financial institution	September 10, 2019	September 10, 2020	90,200,000
SEW	<ul style="list-style-type: none"> <li>- Construction of factory building (foundation excluded)</li> <li>- Machinery for production</li> <li>- Product stock</li> </ul>	Property insurance	Financial institution	October 31, 2019	October 31, 2020	400,000,000
<b>Total</b>						<b>10,048,410,000</b>

**Fire insurance:** Buriram Sugar Factory Company Limited (BSF) 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

Liability	Liability Limit
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
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 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 insured. The amount of compensation, which the insured is liable for, covers injuries or death, damage or loss to public property occurred by the insured's business operation and/or the insured's employees and/or the insured'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. (BEC) and Buriram Power Co., Ltd. (BPC) 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

Liability	Each Liability Limit	Liability Limit of the Insurance Validity
The insurance coverage includes loss or damage to machinery, equipment and/or electronic appliance and damage to steam boiler and pressure tank, which is occurred by explosion, flattening from inside or outside pressure.	Maximum not exceeding 100 Million Baht	Maximum not exceeding 100 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 insured. The amount of compensation, which the insured is liable for, covers injuries or death, damage or loss to public property occurred by the insured's business operation and/or the insured's employees and/or the insured's representative and/or those who are assigned by the insured 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. (BPP) 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
- Damage to electrical appliance	Maximum not exceeding 20 Million Baht	Maximum not exceeding 20 Million Baht
- Damage to building mirrors	Maximum not exceeding 20 Million Baht	Maximum not exceeding 20 Million Baht

Liability	Each Liability Limit	Liability Limit of the Insurance Validity
- Damage occurred from robbery without clearly appearing damaged marks	Maximum not exceeding 20 Million Baht	Maximum not exceeding 20 Million Baht
- Storm, earthquake, hail	Maximum not exceeding 20 Million Baht	Maximum not exceeding 200 Million Baht
- Damage to machinery and/or other electronic appliances	Maximum not exceeding 25 Million Baht	Maximum not exceeding 25 Million Baht
- Damage to steam boiler and pressure tank	Maximum not exceeding 25 Million Baht	Maximum not exceeding 25 Million Baht
- Damage occurred from robbery or plunder with damaged marks	Maximum not exceeding 0.50 Million Baht	Maximum not exceeding 0.50 Million Baht
- Damage to electronic appliance, computers, and data processing equipment	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

**Property insurance:** Key Brand Fertilizer Co., Ltd. (KBF) 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
- Damage to electrical appliance	Maximum not exceeding 10 Million Baht	Maximum not exceeding 10 Million Baht
- Damage to building mirrors	Maximum not exceeding 10 Million Baht	Maximum not exceeding 10 Million Baht
- Damage occurred from robbery without clearly appearing damaged marks	Maximum not exceeding 10 Million Baht	Maximum not exceeding 10 Million Baht
- Storm, earthquake, hail	Maximum not exceeding 5 Million Baht	Maximum not exceeding 5 Million Baht
- Damage to machinery and/or other electronic appliances	Maximum not exceeding 10 Million Baht	Maximum not exceeding 10 Million Baht
- Damage to electronic appliance, computers, and data processing equipment	Maximum not exceeding 10 Million Baht	Maximum not exceeding 10 Million Baht



Liability	Each Liability Limit	Liability Limit of the Insurance Validity
- Damage occurred from robbery or plunder with damaged marks	Maximum not exceeding 0.50 Million Baht	Maximum not exceeding 0.50 Million Baht
- Public liability for life, body, and property due to the company's negligence and carelessness	Maximum not exceeding 10 Million Baht	Maximum not exceeding 10 Million Baht

**Property insurance:** Sugarcane Ecoware Co., Ltd. (SEW) 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
- Damage to electrical appliance	Maximum not exceeding 30 Million Baht	Maximum not exceeding 30 Million Baht
- Damage to building mirrors	Maximum not exceeding 30 Million Baht	Maximum not exceeding 30 Million Baht
- Damage occurred from robbery without clearly appearing damaged marks	Maximum not exceeding 30 Million Baht	Maximum not exceeding 30 Million Baht
- Storm, earthquake, hail	Maximum not exceeding 30 Million Baht	Maximum not exceeding 10 Million Baht
- Damage to machinery and/or other electronic appliances	Maximum not exceeding 30 Million Baht	Maximum not exceeding 30 Million Baht
- Damage to electronic appliance, computers, and data processing equipment	Maximum not exceeding 30 Million Baht	Maximum not exceeding 30 Million Baht
- Damage occurred from robbery or plunder with damaged marks	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 company in order to lead the business goals for the best interest of the company as a whole. Currently, the company has 10 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
Sugarcane Ecoware Company Limited (“SEW”)	99.99
BRR Logistics Management Company Limited (“BRLM”)	99.98

**5. Legal Disputes**

As of December 31, 2019, 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, Hinlekhai, Khumueang, 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, fertilizer business and bagasse pulp and packaging product business, including support business; research and development and also logistics management and services business
Registered Number	:	0107556000523
Telephone	:	+66-4466-6592-3, +66-2216-5820-2
Fax	:	+66-4466-6596, +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, Hinlekhai, Khumueang, Buriram 31190
Bangkok Office	:	128/77 Phayathai Plaza Building 7th Fl., Phayathai Road, Thungphayathai, Ratchathewi, Bangkok 10400
Telephone	:	+66-4466-6592-3, +66-2216-5820-2
Fax	:	+66-4466-6596, +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, Hinlekhai, Khumueang, Buriram 31190
Bangkok Office	:	128/77 Phayathai Plaza Building 7th Fl., Phayathai Road, Thungphayathai, Ratchathewi, Bangkok 10400
Telephone	:	+66-4466-6592-3, +66-2216-5820-2
Fax	:	+66-4466-6596, +66-2216-5823

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

Business Type : Biomass power plant  
 Head Office/Factory : 289 Moo.2, Hinlekhai, Khumueang, Buriram 31190  
 Bangkok Office : 128/77 Phayathai Plaza Building 7th Fl., Phayathai Road,  
 Thungphayathai, Ratchathewi, Bangkok 10400  
 Telephone : +66-4466-6592-3, +66-2216-5820-2  
 Fax : +66-4466-6596, +66-2216-5823

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

Business Type : Biomass power plant  
 Head Office/Factory : 289 Moo.2, Hinlekhai, Khumueang, Buriram 31190  
 Bangkok Office : 128/77 Phayathai Plaza Building 7th Fl., Phayathai Road,  
 Thungphayathai, Ratchathewi, Bangkok 10400  
 Telephone : +66-4466-6592-3, +66-2216-5820-2  
 Fax : +66-4466-6596, +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, Hinlekhai, Khumueang, Buriram 31190  
 Bangkok Office : 128/77 Phayathai Plaza Building 7th Fl., Phayathai Road,  
 Thungphayathai, Ratchathewi, Bangkok 10400  
 Telephone : +66-4466-6592-3, +66-2216-5820-2  
 Fax : +66-4466-6596, +66-2216-5823

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

Business Type : Biomass power plant  
 Head Office/Factory : 317 Moo.2 Hinlekhai, Khumueang, Buriram 31190  
 Bangkok Office : 128/80 Phayathai Plaza Building 7th Fl., Phayathai Road,  
 Thungphayathai, Ratchathewi, Bangkok 10400  
 Telephone : +66-4466-6592-3, +66-2216-5820-2  
 Fax : +66-4466-6596, +66-2216-5823

### 7. Chamni Sugar Factory Co., Ltd. (CSF) (Not operate currently)

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

Business Type : Manufacture and distribute sugar  
 Head Office/Factory : 289 Moo.2 Hinlekhai, Khumueang, Buriram 31190  
 Bangkok Office : 128/77 Phayathai Plaza Building 7th Fl., Phayathai Road,  
 Thungphayathai, Ratchathewi, Bangkok 10400  
 Telephone : +66-4466-6592-3, +66-2216-5820-2  
 Fax : +66-4466-6596, +66-2216-5823

**8. Buriram Sugar Capital Co., Ltd. (BSC) (Not operate currently)**

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

Business Type : Manufacture and distribute sugar

Head Office/Factory : 237 Moo.2, Hinlekkhai, Khumueang, Buriram 31190

Bangkok Office : 128/77 Phayathai Plaza Building 7th Fl., Phayathai Road,  
Thungphayathai, Ratchathewi, Bangkok 10400

Telephone : +66-4466-6592-3, +66-2216-5820-2

Fax : +66-4466-6596, +66-2216-5823

**9. Sugarcane Ecoware Co., Ltd. (SEW)**

Business Type : Manufacture and distribute bagasse pulp and packaging products,  
equipment and appliance

Head Office/Factory : 368 Moo.2, Hinlekkhai, Khumueang, Buriram 31190

Bangkok Office : 128/77 Phayathai Plaza Building 7th Fl., Phayathai Road,  
Thungphayathai, Ratchathewi, Bangkok 10400

Telephone : +66-2129-3471

Fax : +66-2216-5823

Website : www.sewthailand.com

**10. BRR Logistics Management Co., Ltd. (BRLM)**

Business Type : Provide logistics management and services, including domestic and  
international transportation

Head Office/Factory : 237 Moo.2, Hinlekkhai, Khumueang, Buriram 31190

Bangkok Office : 128/77 Phayathai Plaza Building 7th Fl., Phayathai Road,  
Thungphayathai, Ratchathewi, Bangkok 10400

Telephone : +66-2216-5820-2

Fax : +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@brr.co.th



**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. 301, 302 or 303

Fax : +66-2216-5823

E-mail : companysecretary@brr.co.th

**6.2 Reference****1. Security Registrar**

Name : Thailand Securities Depository Co., Ltd.

Head Office : The Stock Exchange of Thailand Building,  
93, 14th Floor, Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok  
10400

Telephone : +66-2009-9000

Fax : +66-2009-9991

**2. Auditor**

Name : PricewaterhouseCoopers ABAS Ltd.

Head Office : 179/74-80, 15th Floor, Bangkok City Tower  
South Sathorn Road, Sathorn Bangkok, 10120

Telephone : 0-2844-1000

E-mail : contactbrand@th.pwc.com

**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](http://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: 812,099,845 Baht.\* - Par Value: 1 Baht/ Share
  - Issued and paid-up capital: 812,099,845 Baht - None other types of shares
- (Comprising 812,099,845 ordinary shares)

\*The registered capital of 812,100,000 Baht was decreased to the new registered capital of 812,099,845 Baht on May 16, 2018 by decreasing the remaining shares from allocation of the additional common stock to facilitate the stock dividend payment.

### 7.2 Shareholders

The company's number of shareholders as shown in the share register book on December 30, 2019 as follows;

Shareholder Nationality	Number of Shareholder	Amount of Share	Percent of Share (%)
Thai Shareholders	3,059	807,783,785	99.47
Foreign Shareholders	7	4,316,060	0.53
<b>Total</b>	<b>3,066</b>	<b>812,099,845</b>	<b>100</b>

#### 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.	<b><u>Tangtrongwechakit Group</u></b>	<b><u>607,842,420</u></b>	<b><u>74.85</u></b>
	Buriram Capital Co., Ltd.	410,223,100	50.51
	Mr. Anant Tangtongwechakit	33,099,000	4.08
	Mrs. Wanphen Punyaniran	32,939,000	4.06
	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
2.	<b><u>Sareewiwatthana Group</u></b>	<b><u>49,914,880</u></b>	<b><u>6.15</u></b>
	Miss Pitsinee Sareewiwatthana	19,209,600	2.37
	Miss Pimsiri Sareewiwatthana	18,000,000	2.22
	Mr. Paiboon Sareewiwatthana	12,705,280	1.56
3.	<b><u>Techathiphakorn Group</u></b>	<b><u>13,350,900</u></b>	<b><u>1.64</u></b>
	Mr. Somsak Techathiphakorn	7,422,300	0.91
	Mr. Piti Techathiphakorn	3,478,300	0.43
	Mr. Kittisak Techathiphakorn	2,223,300	0.27
	Miss Supreeya Techathiphakorn	116,000	0.01
	Miss Ariya Techathiphakorn	60,000	0.01
	Mr. Preecha Techathiphakorn	51,000	0.01

	Name of Shareholder	Number of Share	Percent of Share(%)
4.	<b><u>Khahanurak Group</u></b>	<b><u>10,896,720</u></b>	<b><u>1.34</u></b>
	Mr. Nattaphat Khahanurak	8,928,720	1.10
	Miss Pannita Anantakul	1,968,000	0.24
5.	<b><u>Brahmasakha Na Sakolnakhon Group</u></b>	<b><u>10,448,620</u></b>	<b><u>1.29</u></b>
	Mrs. Sulee Brahmasakha Na Sakolnakhon	5,781,340	0.71
	Mr. Saranwit Brahmasakha Na Sakolnakhon	4,667,280	0.57
6.	<b><u>Shartpinyo Group</u></b>	<b><u>6,095,400</u></b>	<b><u>0.75</u></b>
	Miss Jutirat Shartpinyo	5,758,200	0.71
	Mr. Utain Shartpinyo	337,200	0.04
7.	Mrs. Mayuree Wongkaewjareon	4,500,000	0.55
8.	Miss Benjamas Nanthawerawat	3,238,000	0.40
9.	Miss Sarai Sangdao	2,800,000	0.34
10.	Mr. Apirat Pipatgoonchevin	2,394,200	0.29
	<b>Total</b>	<b>711,481,140</b>	<b>87.61</b>

Remarks:

- The persons of Tangtrongwechakit Group (as shown in the above table) are considered to be acting in concert under the Notification of the Capital Market Supervisory Board No. TorChor. 7/2552, and such persons have concerted behavior prior to the listed company in the Stock Exchange of Thailand, until now, they still have been “acting in concert”. Such shareholdings were disclosed in the IPO filing already.
- 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. List of shareholder as of December 30, 2019 are 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 Tangtrongwechakit	563,371	16.60
6. Mr. Adisak Tangtrongwechakit	563,371	16.60
<b>Total</b>	<b>3,393,800</b>	<b>100.00</b>

**7.2.2 Minority shareholders (Free Float)** (As of December 30, 2019)

(The shareholders who are not the strategic shareholders playing roles in managing the company.

- Total number of Minority shareholders (Free Float) is 3,052 equivalent to 24.90%.

### 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 30, 2019)

Major Shareholder ( de facto control to influence a policy)	Number of Share	Percent of Share(%)
<b>Tangtrongwechakit Group</b>	<b>607,842,420</b>	<b>74.85</b>
Buriram Capital Co., Ltd.	410,223,100	50.51
Mr. Anant Tangtongwechakit	33,099,000	4.08
Mrs. Wanphen Punyaniran	32,939,000	4.06
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

### 7.4 Subsidiaries' Major Shareholders

**Buriram Sugar Factory Co., Ltd.** List of shareholder are as follows;

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

**Buriram Sugarcane Research and Development Co., Ltd.** List of shareholder are 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
	<b>Total</b>	<b>708,800</b>	<b>100</b>

**Buriram Energy Co., Ltd.** List of shareholder are 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
	<b>Total</b>	<b>1,356,000</b>	<b>100</b>

**Buriram Power Co., Ltd.** List of shareholder are 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
	<b>Total</b>	<b>1,700,000</b>	<b>100</b>

**Key Brand Fertilizer Co., Ltd.** List of shareholder are 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
	<b>Total</b>	<b>150,000</b>	<b>100</b>

**Buriram Power Plus Co., Ltd.** List of shareholder are 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
	<b>Total</b>	<b>1,600,000</b>	<b>100</b>

**Chamni Sugar Factory Co., Ltd.** List of shareholder are 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
	<b>Total</b>	<b>50,000</b>	<b>100</b>



**Buriram Sugar Capital Co., Ltd.** List of shareholder are 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
	<b>Total</b>	<b>100,000</b>	<b>100</b>

**Sugarcane Ecoware Co., Ltd.** List of shareholder are as follows;

	Name of Shareholder	Number of Share	Percent of Share(%)
1	Buriram Sugar Public Company Limited	749,997	99.99
2	Mr. Anant Tangtongwechakit	1	0
3	Miss Chittima Tangtrongwechakit	1	0
4	Mr. Adisak Tangtrongweachakit	1	0
	<b>Total</b>	<b>750,000</b>	<b>100</b>

**BRR Logistics Management Co., Ltd.** List of shareholder are as follows;

	Name of Shareholder	Number of Share	Percent of Share(%)
1	Buriram Sugar Public Company Limited	29,994	99.98
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
	<b>Total</b>	<b>30,000</b>	<b>100</b>

## 7.5 Issuance of Other Securities

### 7.5.1 Investment Unit of Infrastructure Fund

The establishment of the the Buriram Sugar Group Power Plant Infrastructure Fund (“BRRGIF”) by selling the rights in the net income from the power plant businesses of the company's subsidiaries; namely, Buriram Energy Co., Ltd. (“BEC”) and Buriram Power Co., Ltd. (“BPC”), was approved by the Securities and Exchange Commission on August 1, 2017, and traded in the Stock Exchange of Thailand was firstly operated on August 7, 2017. BRRGIF offered the 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. The company is the major unit holder which holds the BRRGIF’s unit equivalent to 33.05% (as of November 29, 2019).

The period of such infrastructure fund is to be in line with the Power Purchase Agreements, between BEC and Provincial Electricity Authority (“PEA”) and between BPC and PEA, which do not exceed 9 years (Contract termination on August 10, 2028) and 16 years (Contract termination on April 6, 2035) respectively.

## 7.6 Dividend Payment Policy

The Buriram Sugar Public Company Limited (“the company”) places a policy of dividend payment to every shareholder for not less than 50% of net profit declared in the consolidated financial statements. According to Public Limited Companies Act, B.E.2535, the dividend payment shall be proceeded only from the retained earnings on the separate financial statements. However, the company, a holding company, has no income from its own business. Thus, its subsidiaries’ dividends must be recognized as the company’s income prior to allocation for legal reserves and dividend payment in line with its policy. Moreover, the company may not pay dividends in the rate of not less than 50% of net profit on the consolidated financial statements. In addition, the company may decrease the dividend payout as mentioned ratio depending on the operating results, financial statement, financial liquidity of the company, and the need to expand the business of the company, and to be used as the working capital in business operations.

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 2015 - 2018

Dividend Payment Detail	2015	2016	2017		2018
			Interim	Annual	
1. Net profit from the consolidated financial statements (Million Baht)	272.35	- Net Profit: 113.32* - Retained Earnings Before Dividend Payout: 729.47*	525.41		271.67
2. Number of shares (Million Share)	676.75	676.75	812.09		812.09
3. Dividend per share (Baht/Share)	0.22	-Stock Dividend Payout: 0.2000 (5 existing shares per 1 new share) -Cash Dividend Payout: 0.0222222222**	0.15	0.30	0.15
4. Total dividend payment (Million Baht)	148.89	150.38	121.81	243.63	121.81
5. Payout ratio on net profit	54.67%	130.71%	70.05%		44.84%
6. Dividend payout is whether in compliance with the company’s dividend policy	In compliance with the company’s dividend policy				Not in compliance with the company’s dividend policy: The company needs sufficient funding to implement investment projects and future business expansion.

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

\*\*In 2016 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 December 31, 2019, the company had 11 members on Board of Directors which consist of 5 members, or 45.46%, who are in the position of independent director and 6 members, or 54.54%, who are both in the position of director and executive. According to the following table, the director no. 8 has the knowledge of accounting and laws, the director no. 9 and 11 have the knowledge of finance and the director no.10 has the knowledge of corporate governance, technology and innovation, as well as 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 <b>(Term Expired in 2020)</b>
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 <b>(Term Expired in 2020)</b>
5. Miss Chittima Tangtrongwechakit	Director, Member of Executive Committee, Member of Risk Management Committee, Member of Nomination and Remuneration 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 Tangtrongwechakit	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 Tangtrongwechakit	Director, Member of Executive Committee, Member of Risk Management Committee, Member of Nomination and Remuneration Committee, Member of Corporate Governance Committee and Senior Deputy Managing Director: Domestic Investment in Energy Business (Authorized Director/ Executive)	25 June 2004
8. Mrs. Seenual Tasanapant	Independent Director, Member of Audit Committee, Chairman of Corporate Governance Committee and Chairman of Nomination and Remuneration Committee	3 October 2014 <b>(Term Expired in 2020)</b>
9. Mr. Sirichai Sombutsiri	Independent Director and Member of Audit Committee	10 January 2013 <b>(Term Expired in 2020)</b>
10. Assoc. Prof. Dr. Djitt Laowattana	Independent Director and Member of Corporate Governance Committee	25 April 2018
11. Mr. Vichate Tantiwanich	Independent Director, Member of Audit Committee and Member of Nomination and Remuneration Committee	25 April 2018

**The Authorized Directors**

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

“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. 5/2019 of Buriram Sugar Public Company Limited (“the company”) which was held on December 18, 2019 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 amended details are as follows.

**1. Composition, Appointment and Qualifications**

- 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, accounting and finance, technology and innovation including qualifications that are consistent with the company's strategy and business goals.
- 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. However, the nomination of directors needs to use a professional search firm as a consultant or Director Pool database of the Thai Institute of Directors Association (IOD) for consideration of nomination as well. 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 are 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 Directors has to arrange the meeting at least 4 times a year to consider and approve the annual financial statements and quarterly reports including other important events and meetings 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 appoint to act as the Chairman.
- 4.7 The minimum amount of a quorum of the Board of Directors will be voted at the meeting shall be not less than 2/3 of the total number of directors.
- 4.8 Each Director has one 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**

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

**6. Performance Evaluation 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 assessed their performance in the past year and find ways to improve the efficiency in the next year.

The criteria for the As a Whole 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 were 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 15<sup>th</sup> 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 December 31, 2019 the Audit Committee has consisted of 3 members as follows.

Name	Position
1. Mr. Prachuab Chaiyasarn	Chairman of the Audit Committee
2. Mrs. Seenuat Tasanapant	Audit Committee Member
3. Mr. Sirichai Sombutsiri	Audit Committee Member
4. Mr. Vichate Tantiwanich	Audit Committee Member

Remark: 1. Mrs. Seenuat Tasanapant and Mr. Sirichai Sombutsiri are audit directors who have sufficient knowledge and experiences to be responsible to review the accountability of financial statement.

2. According to the Board of Directors' Meeting No. 5/2019 which held on December 18, 2019, the resolution was to approve to appoint Mr. Vichate Tantiwanich, independent director, as Audit Committee Member, effective from January 1, 2020 onwards.

Ms. Natchaya Yangyuenrat 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. 5/2019 on December 18, 2019 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 reliability of 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 proper, efficiency 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, nominate, appoint, or dismiss 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 December 31, 2019 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 Committee Member
3.	Miss Chittima Tangtrongwechakit	Risk Management Committee Member
4.	Mr. Sarit Tangtrongwechakit	Risk Management Committee Member
5.	Mr. Adisak Tangtrongwechakit	Risk Management Committee Member

In addition, Miss. Niparat Wetchapan, risk management manager is the secretary to the Risk Management Committee. Besides, the Charter of the Risk Management Committee has been reviewed from the Board of Directors' Meeting No. 5/2019 on December 18, 2019 (as amended) as follows:

#### Charter of Risk Management Committee

This Charter of Risk Management Committee is effective on December 18, 2019 onwards.

#### Objectives

Board of Directors established risk management committees in order to determine the policies concerning 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.
5. If the Chairman of Risk Management Committee is unable to attend a meeting and appoint a representative, the Committee who attend the meeting will be required to perform their duties as selecting the representative to be the Chairman.
6. In addition, the Chairman of Risk Management Committee holds a meeting when necessity arises in order to discuss significant issues concerning corporate risks, in case there are any requests to consider the matter from the Committee.

### **Report**

1. 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.

2. The reporting of Risk Management and other related reports have been reviewed to ensure that the guideline for the Risk management in keeping it applicable in conformance with current business situation. For issues that relate to the Risk Management, the Management is to report to the Board of Directors for reviewing on an annual basis.

### **Performance Evaluation**

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

### **Charter Reviewing**

The Risk Management Committee will review the appropriateness of the Charter on annual basis. The Charter amended is within the limits approved by the Board of Directors.

## **2.4 Corporate Governance Committee**

As of December 31, 2019 the Corporate Governance Committee has consisted of 4 members, which have 2 independent directors equivalent to 50% as follows.

Name	Position
1. Mrs. Seenual Tasanapant	Chairman of Corporate Governance Committee (Independent Director)
2. Assoc. Prof. Dr. Djitt Laowattana	Corporate Governance Committee Member (Independent Director)
3. Miss Chittima Tangtrongwechakit	Corporate Governance Committee Member
4. Mr. Adisak Tangtrongweachakit	Corporate Governance Committee Member

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 by the Board of Directors' Meeting No. 5/2019 on December 18, 2019 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 Remuneration Committee**

As of December 31, 2019 the Nomination and Remuneration Committee has consisted of 4 members which have 2 independent directors equivalent to 50% as follows:

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

In addition, Miss Patcharee Kosanam, director officer manager and company secretary, is the secretary to the Nomination and Remuneration Committee. Besides, the Charter of the Nomination and Remuneration Committee has



been reviewed by the Board of Directors' Meeting No.5/2019 on December 18, 2019. However, there is no any amendment, detail 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
  - Resign
  - Retire from the position of director
  - Resolution approved by Board of Directors
  - Lack of qualifications of the Nomination and Compensation Committee or characteristics against the laws and regulations

- 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 December 31, 2019 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 Committee Member
3.	Miss Chittima Tangtrongwechakit	Executive Committee Member
4.	Mr. Sarit Tangtrongwechakit	Executive Committee Member
5.	Mr. Adisak Tangtrongwechakit	Executive Committee Member

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 by the Board of Directors' Meeting No. 5/2019 on December 18, 2019. However, there is no any amendment, detail 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 company.

### 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
  - Retire from the director or executive position      - Decease
  - Resolution approved by Board of Directors      - Resign
  - 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 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 December 31, 2019 the executives of the company according to the definition of the notification of the Capital Market Supervisory Board consist of 7 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. Pitak Chaosoun	Deputy Managing Director in Finance and Operation (CFO)
7. Mr. Pattarapong Pongsawasdi	Deputy Managing Director in Investor Relations, International Affair and Industrial Policy

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

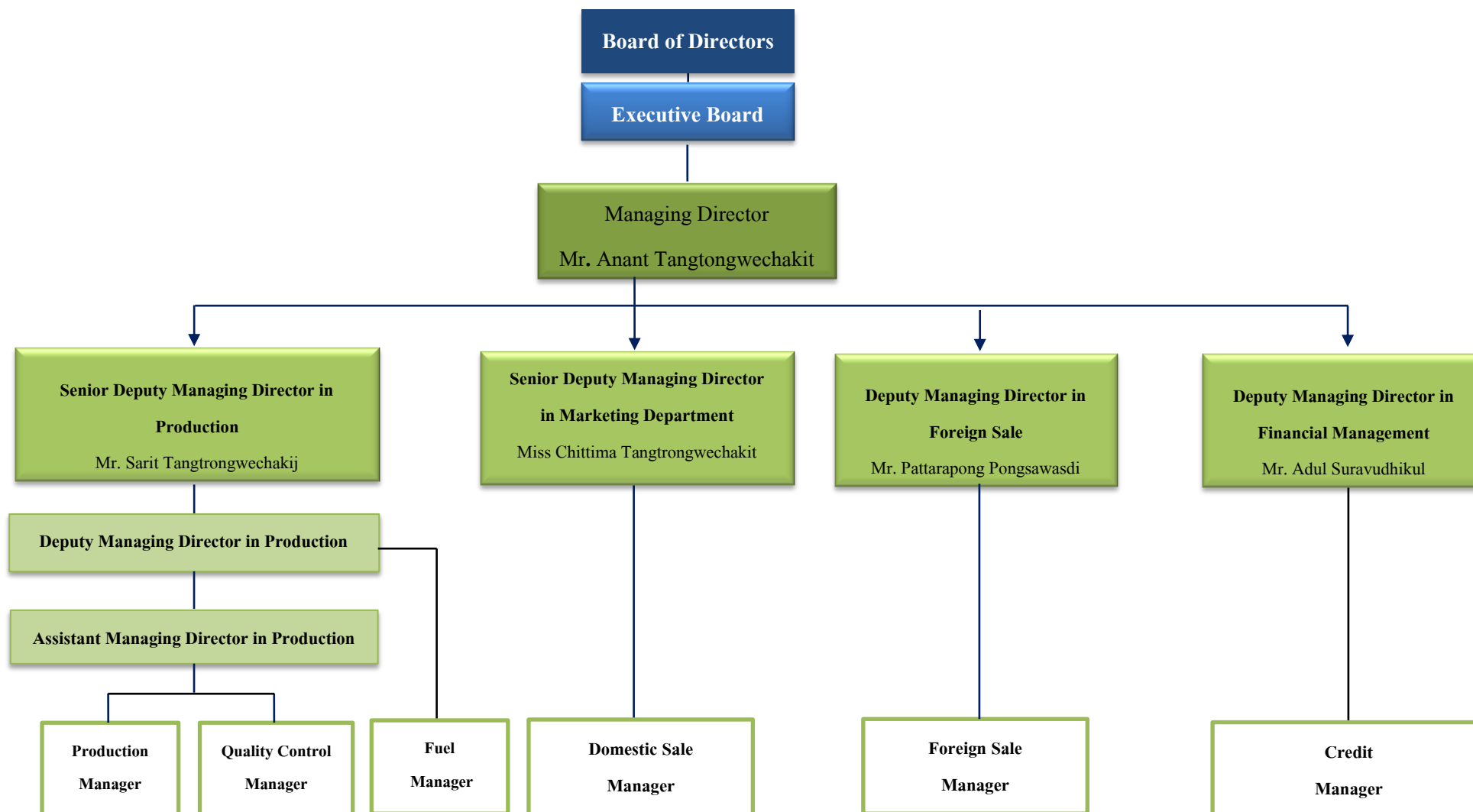
- Graduated with a Bachelor's degree or Master's degree in law, accounting, finance and related fields or,
- Attend the training course about the company secretary in particular from Thai Institute of Directors (IOD) such as Company Secretary Program (CSP), Effective Minute Taking (EMT), Board Reporting 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 2019, 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 Tangtrongweachakit	Director

**Executive Committee**

As of 31 December 2019, 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 Committee Member
3. Miss Chittima Tangtrongwechakit	Executive Committee Member
4. Mr. Sarit Tangtrongwechakit	Executive Committee Member
5. Mr. Adisak Tangtrongweachakit	Executive Committee Member

**Executives**

As of 31 December 2019, there are 7 executives as follows;

Name	Position
1. Mr. Anant Tangtongwechakit	Managing Director
2. Miss Chittima Tangtrongwechakit	Senior Deputy Managing Director in Marketing (Domesic Sale Department)
3. Mr. Sarit Tangtrongwechakit	Senior Deputy Managing Director in Production
4. Mr. Yanyong Kittithatphongphon	Deputy Managing Director in Production
5. Mr. Pattarapong Pongsawasdi	Deputy Managing Director in Foreign Sale Department
6. Mr. Adul Suravudhikul	Deputy Managing Director in Financial Manament (Credit)
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 subsidiaries as well as supervise the subsidiaries 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 subsidiaries in the best benefit for the company. The company supervises the business operations of the subsidiaries 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 subsidiary 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 subsidiary 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 and managing director (which have the scope of duties according to the charters), 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	Managing Director	Senior Deputy Managing Director	Deputy Managing Director	Assistant Managing Director
<b>1. Expenditures</b>				
- Operational Expense and General Expense	See in the scope of authority and duty in topic 2.7	Exceeding 100,000 Baht		20,000 – 100,000 Baht
<b>2. Purchasing</b>				
- Fixed Assets	See in the scope of authority and duty in topic 2.7	Exceeding 100,000 Baht	Not Exceeding 100,000 Baht	Not Exceeding 50,000 Baht
- Purchasing Authorized		Exceeding 500,000 Baht	Not Exceeding 500,000 Baht	Not Exceeding 200,000 Baht
<b>3. Finance</b>				
- Advance Disbursement Per Time	See in the scope of authority and duty in topic 2.7	Exceeding 100,000 Baht	Not Exceeding 100,000 Baht	Not Exceeding 50,000 Baht
<b>4. General Terms</b>				
- Sales of Other Assets	See in the scope of authority and duty in topic 2.7	Exceeding 100,000 Baht	Not Exceeding 100,000 Baht	No Authority to Approve
- Building Renovation		Exceeding 500,000 Baht	Not Exceeding 500,000 Baht	No Authority to Approve

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

###### ■ The Criteria Concerning to Receiving of Gratuities and Any Benefits

- 1) Any gift which is not in term of cash
- 2) Any gift which is made for sale promotion which is affixed by the company's seal (i.e. pens, caps, shirts, books or fabric bags, etc.)



- 3) Any gift which is made for complimentary distribution. (distributed to employees, shareholders, customers and partners)
- 4) Any gift which is made or bought from other sources in order to distribute to partners in special occasions (i.e. calendars, books, umbrellas, snacks or gift baskets, etc.)
- 5) Other privileges as deserved for sale promotion
- 6) Any gift in which the price is not exceeding as determined in the following table.

Category	General Operation Authority	Authorized Person				
2	Business Expense	MD	SDMD	DMD	AMD	M
2.5	Receiving gifts per person/time - Not Exceeding 3,000 Baht	✓	✓	✓	✓	✓

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

Category	General Operation Authority	Authorized Person				
2	Business Expense	MD	SDMD	DMD	AMD	M
2.4	Giving gifts per person/time					
	2.4.1 For private agencies	Value 20,000 baht upwards	Value not exceeding 20,000 Baht	Value not exceeding 15,000 baht	Value not exceeding 10,000 baht	Value not exceeding 5,000 baht
	2.4.2 For government agencies	Value not exceeding 3,000 baht				

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

MD	=	Managing Director	SDMD	=	Senior Deputy Managing Director
DMD	=	Deputy Managing Director	AMD	=	Assistant Managing Director
M	=	Division Manager			

## (7) Remuneration of Directors and Executives

### 7.1 Remuneration of Board of Directors

The Nomination and Remuneration Committee had defined the remuneration for directors and sub-committees appropriately in accordance with the duties and responsibilities as assigned which shall comply with the overview performance and operating results of the company and compare to the similar business types of other companies and propose to the Board of Directors to consider and approve.

● **Remuneration in Cash**

The 2019 Annual General Meeting of Shareholders on April 25, 2019 had the resolution to approve the 2019 remuneration for directors and sub-committees of the company. The total remuneration is 6,720,000 Baht as follows:

Position	2019	
	Remuneration (Baht/Month)	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 Committee Member	10,000	100,000
Chairman of Risk Management Committee	15,000	150,000
Risk Management Committee Member	10,000	100,000
Chairman of Executive Committee	15,000	150,000
Executive Committee Member	10,000	100,000

Remuneration for Corporate Governance Committee and the Nomination and Remuneration Committee for 2019, proposed to pay remuneration as meeting allowance per meeting

Position	2019
	Meeting Allowance (Baht/Time)
Chairman of Corporate Governance Committee	15,000
Corporate Governance Committee Member	10,000
Chairman of Nomination and Remuneration Committee	15,000
Nomination and Remuneration Committee Member	10,000

● **Other Remunerations and Benefits**

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

In 2018 and 2019, the remuneration of the directors and sub-committees was summarized as follows:

Name of Directors	Position	Remuneration (Baht)	
		2018	2019
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 (Executive of subsidiary)	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 Remuneration Committee/ Member of Corporate Governance Committee	750,000	770,000
Mr. Sarit Tangtrongwechakij	Director/ Member of Executive Committee/ Member of Risk Management Committee	710,000	710,000
Mr. Adisak Tangtrongweachakit*	Director/ Member of Executive Committee/ Member of Risk Management Committee/ Member of Nomination and Remuneration Committee/ Member of Corporate Governance Committee	750,000	770,000
Mrs. Seenuat Tasanapant*	Director (Independent Director)/ Member of Audit Committee/ Chairman of Corporate Governance Committee/ Chairman of Nomination and Remuneration Committee	550,000	580,000
Mr. Sirichai Sombutsiri	Independent Director/ Member of Audit Committee	490,000	490,000
Assoc. Prof. Dr. Djitt Laowattana*	Independent Director / Member of Corporate Governance Committee	170,000	290,000
Mr. Vichate Tantiwanich*	Independent Director/ Member of Audit Committee/ Member of Nomination and Remuneration Committee	170,000	290,000
<b>Total</b>		<b>5,930,000</b>	<b>6,410,000</b>

Remark: 1. Remuneration for 2019 is higher than 2018 due to the appointment of the director number 5, 7, 8, 10 and 11 to be as the members of the Corporate Governance Committee and the Nomination and Remuneration Committee.

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

The Nomination and Remuneration Committee had defined the remuneration for directors and sub-committees appropriately in accordance with the duties and responsibilities as assigned which shall comply with the overview performance and operating results of the company and compare to the similar business types of other companies and propose to the Board of Directors of BRR and BSF respectively to consider and approve.

In 2018 - 2019, the remuneration for **Board of Directors** of BSF is as follows:

Name of Directors	Position	Remuneration (Baht)	
		2018	2019
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 Tangtrongweachakit	Director	270,000	270,000
<b>Total</b>		<b>1,660,000</b>	<b>1,660,000</b>

In 2018 - 2019, the remuneration for **Executive Directors** of BSF is as follows:

Name of Directors	Position	Remuneration (Baht)	
		2018	2019
Mr. Anant Tangtongwechakit	Chairman of the Executive Committee	330,000	330,000
Mrs. Jirawan Pongpichitkul	Executive Committee Member	220,000	220,000
Miss Chittima Tangtrongwechakit	Executive Committee Member	220,000	220,000
Mr. Sarit Tangtrongwechakit	Executive Committee Member	220,000	220,000
Mr. Adisak Tangtrongweachakit	Executive Committee Member	220,000	220,000
<b>Total</b>		<b>1,210,000</b>	<b>1,210,000</b>

Remark: In 2018 and 2019, the monthly remuneration and annual bonus were the same amount provided to the Board of Directors and Executive Committee without other remuneration and other benefits other than the above mention.

## 7.3 Remuneration for Executives

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 2018 and 2019, 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	
	2018	2019	2018	2019
<b>Number of Executives (Persons)</b>	9	9	7	7
<b>Remuneration (Baht)</b>	30,370,789	28,470,815	17,469,958	17,469,958

**Remark:** The remuneration of the company's and BSF's executives as mentioned above included the remuneration of Mr. Anant Tangtongwechakit, 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.

Remuneration of the Board of Directors, Sub-committees and executives of the Company and those of Subsidiaries as shown in section 7.1-7.3 have disclosed that the remuneration and accrued benefits from previous year (if any) and the remuneration from the previous year has reflected the accurate value of the current remuneration. This is due to the fact that there has not been any appointment of new executives and the salary rate remains steady.

In addition, the Board of Directors and the Nomination and Remuneration Committee have considered that the remuneration structure and the criteria to determine the remuneration are suitable for the responsibilities and incentivizing the directors and executives to reach their short-term and long-term goals and be comparable to those in the similar industry because the compensation and other benefits are both on the level of competitive labor market.

## (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. There is none labor union for the Group.

### 8.1 Manpower and Compensation

As of 31 December 2019, the company and subsidiaries employed 828 full-time workers and 1,281 part-time workers.

	2018				2019			
Company	Full-Time Workers (Person)	Part-Time Workers (Person)	Total	Total Remuneration (Million Baht)	Full-Time Workers (Person)	Part-Time Workers (Person)	Total	Total Remuneration (Million Baht)
BRR	142	77	219	90.52	144	80	224	86.17
BSF	285	906	1,191	207.55	302	975	1,277	203.65
BEC	65	0	65	19.21	65	0	65	16.87
KBF	44	31	75	15.80	41	20	61	12.33
BRD	148	42	190	53.68	148	48	196	50.59
BPC	55	0	55	13.53	55	0	55	11.40
BPP	51	0	51	12.29	51	0	51	10.09
SEW					22	158	180	10.20
<b>Total</b>	<b>790</b>	<b>1,056</b>	<b>1,846</b>	<b>412.58</b>	<b>828</b>	<b>1,281</b>	<b>2,109</b>	<b>401.28</b>

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. As well as, BRR Logistics Management Co., Ltd. (BRLM) is under the process of recruitment staff.

The compensation of employees as mentioned above is considered in the satisfactory level of the compensation rate compared to labor market. In 2018 and 2019 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 group 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 2019, BSG paid the allowance for provident fund totaling 5,735,306 Baht. In addition, the number of employees who are the member of provident fund for long-term saving is currently 609 workers of the entire number of 828 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	1-15	2
More than 5 years but less than 10 years		3
More than 10 years but less than 15 years		4
More than 15 years		5

According to the fiscal year on 31 December 2019, the company paid for contribution in amount of 5,735,306 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 (core business) in 2018 compared to 2019. The details are as follows:



Contribution for Senior Executives	2018		2019	
	Persons	Amount	Persons	Amount
BRR	9	909,803	9	1,000,767
BSF	7	856,867	7	884,985

#### **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.

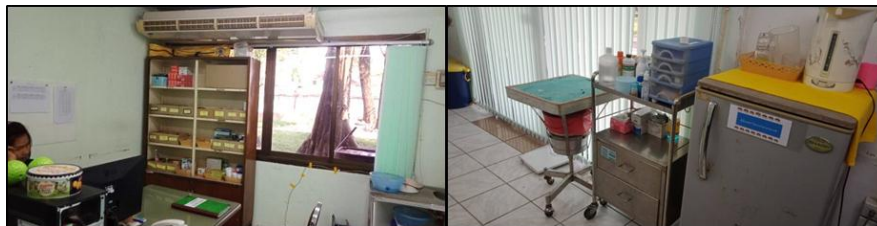
7. Provide sufficiently hygienic drinking water for employees as needed.
8. Provide sufficiently sanitary toilet for employees as needed.
9. Provide annual health checkup for employees in case they are sick or injured
10. Nominate the safety Association in the workplace. Their duties are as following
  - 10.1 Make a scheme to remove the potential risks of the establishment and oversee the flow of a plan.
  - 10.2 Make a suggestion to prevent any accidents and manage the risks in the establishment.
  - 10.3 Create a handbook and occupational safety standard for employee or those involved.
  - 10.4 Make a decision of which some personal protective equipment are suitable for individual and occupational hazard.
  - 10.5 Encourage workers to be intellectual and practical in the establishment to prevent any injuries and sickness in the line of duty.
  - 10.6 Provide a seminar on security foundation or instructions for those who recently join the company as well as employees who have been reassigned to different tasks and have potential risks.
  - 10.7 Liaise safety operation with other establishments domestically and in-between including relevant government agencies.
  - 10.8 Make an evaluation of overall safety system of the company.
  - 10.9 Collect the outcomes of workers in security in every level and assure that safety operation is consistent to the policy and plan of the establishment and report to the supervisors and the directors every three months.
  - 10.10 Run through the security work as assigned to.

■ **Preventive Measures in Injured or Accident Case**

1. The medical room and nursing staffs operates with fully medical equipment. The opening hours are as follows.
 

The end of the crushing season	Open Monday – Saturday: 08.00 am – 5.00 pm
During the crushing season	Open daily 24 hours
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.

### Corporate In-House Medical Room



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

In 2019, the statistics of accidents/accidental injuries and absenteeism was not increased from 2018. However, in regards of the cause of accidents, the concerned departments have arranged the prevention measures to stop from happening again. They also promote the campaign for the employees to strictly follow the rules of safety and hygiene, as well as constantly arranging the seminar for passing the knowledge to the employees in respect of the safety. Moreover, the company also appointed the safety, occupational health and environment committee to conduct activity for safety, and constantly inspect the work site to check the safety for co-working.

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

	2018	2019	%
Accident/ Accidental Injury	14	14	50.00
Absenteeism	128	138	51.88

Safety, occupational health and environment committee held meetings in every month and regularly inspect the work site to check the safety for co-working





■ **2019 Annual Safety Activities**

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

**First Aid Training**

On September 21, 2019 with 59 employees who participated in this event at training room, Buriram Sugarcane Research and Development Company Limited and lectured by lecturers from Safesiri Thailand Co., Ltd.



**Operation in Confined Spaces**

On October 7-8, 2019 with 30 employees who participated in this event at human resources training room, and on September 13-14, 2019 with 30 employees (Buriram Energy Co., Ltd., Buriram Power Co., Ltd. and Buriram Power Plus Co., Ltd.) who participated in this event at Buriram Sugarcane Research and Development Company Limited and lectured by lecturers from NSA Solution Co., Ltd.



**Advance Fire Fighting**

This training course was held for the staff of boiler, automotive, maintenance of electricity and fuel and energy divisions on October 16 - 17, 2019 at the Klong Luang Phaeng Fire and Rescue Training Center by Chayawan Fire Service Limited Partnership. After training at the training center, the advanced fire fighting team regularly reviews at the company to increase skills.



### Basic Fire Fighting and Evacuation Fire Drill Training

This course was organized on September 20, 2019 to 60 employees of Key Brand Fertilizer Company Limited, on October 11, 2019 to 60 employees of Buriram Sugar Factory Company Limited and lectured by lecturers from Nong Bua Sala Sub-District Administrative Organization, Muang District, Nakhon Ratchasima. On October 19, 2019 to 60 employees of power plant business group who receive training about the conducting of fire drills and emergency response procedure in boiler explosion case on November 11, 2019 at outdoor area and training room of each company and lectured by K.N. Safety Training Center.



### 2019 Annual Safety Activity Week/ Big Cleaning Day (November 29, 2019)

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 2019, rewards for a business unit, division manager, and department manager who wore the appropriate safety equipment individually, and so on. For this event, related agencies were also invited to share their safety knowledge with employees by running a booth. This includes social security office, Ku Muang hospital, private hospitals, Khu Muang district health office, and the agents of fire extinguisher and PPE, etc.



### 2019 Annual Health Check-ups

In 2019, Buriram Sugar Group (“BSG”) provides the Annual Health Check-ups on October 7-8, 2019 to be stationed in the area at the front of the supporting room (ATM machine). These activities were held to promote health awareness among the employees to take better care of themselves in their daily routine, resulting in their work efficiency.





### 2019 Safety Talk Activity

A safety talk activity was arranged for offering the communication opportunities between company's employees and the contractors operating in the workplace. This activity is to enhance understanding about occupational safety together with Personal Protective Equipment (PPE) which is necessary for all involved. Also, it has raised safety awareness of accidents that might occur and the safety management.



### 2019 Enviromental Inspection of the establishment (Light, Sound, Heat, and Dust)

The Company performed inspection of the establishment on light, sound, heat, and dust in the operational areas which may incur the risks or danger.



Besides, BSF was achieved the award of provincial excellent workplace in occupational health, safety and environment in 2016 and 2019 from Ministry of Labour.



### 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 that the Board of director review annually. 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.

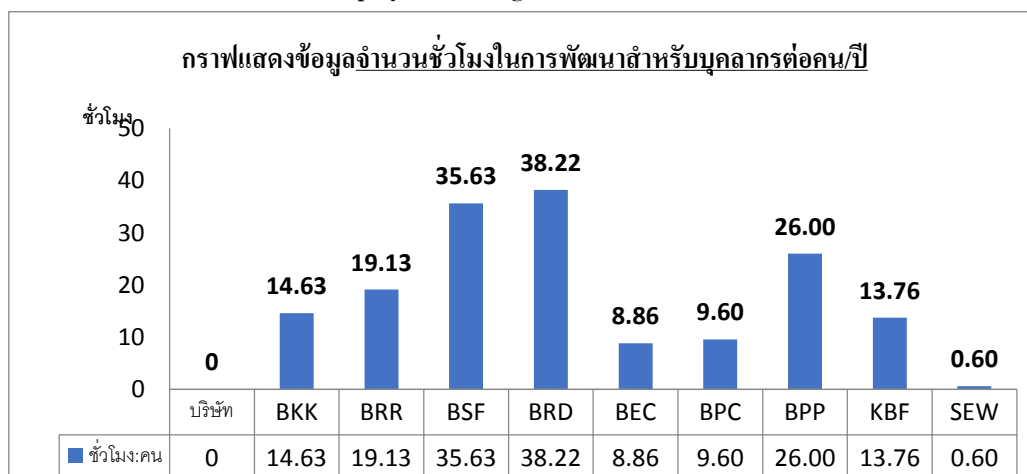
- **Scholarships**

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** since 2016 to present, 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.

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 (2019)**



### Types of Training Course in 2019

Types of Training Course	Number of Participants	Training Hours	Total Training Hours
Environment	130	18	780
Occupational Health and Safety	336	113	2,796
Quality Control	543	72	3,852
Good Governance and Ethics/ Laws/ Anti-Corruption	195	96	1,029
Knowledge and Skill Development in Work/ Leadership Skill/ Communication Skill and Others	1,498	624	13,824
<b>Total</b>	<b>2,702</b>	<b>923</b>	<b>22,281</b>

### Example of Internal and External Training Courses in 2019

#### Executive Level

- COSO ERM 2017
- TFRS 9
- Storytelling Techniques and Visualization for Business Presentation class 2
- Coaching The Game Changer 2019

#### Management Level

- ISO/IEC 17025:2017
- FSSC 22000 Version 4.1 Requirement & Interpretation
- Control system for industrial waste and pollution management

#### Operation Level

- SAP utilization
- GMP / HACCP system according to public health principles
- Microsoft Excel 2010 and 2013 Intermediate level
- Requirement and Interpretation of ISO 9001:2015
- Basic fire fighting and evacuation fire drill
- Water pollution treatment system
- ISO 9001:2015, GMP, HACCP, FSSC 22000
- Sugar Refinery

In term of activities in 2019, the company group has organized the agricultural extension project in order to encourage the employees to have knowledge, understanding on the agriculture. As a result, they are able to further help to provide knowledge and skills for famers.



### **The Human Resource Development Plan**

The Human Resource Development plan of BSG in 2020 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 GDP (Group Development Plan). 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 and Code of Conduct Handbook, 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.

**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 has operated the campaign against the child labour continuously for 4 years 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 have gathered information on child labour in the sugarcane plantations in association with Labor Protection and Welfare Office of Buriram. In addition, the company also has driven this issue and knowledge through various CSR activities to the schools in order to increase educational opportunities and provide the knowledge to local youth and student for equal access to education.





## 9. Corporate Governance

### 9.1 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. The Board of Directors recognizes the duty as a governing body to create sustainable value for the organization and has the reviewing procedures of the implementation of CG Code to the business context suitably.

The Board of Directors' Meeting No. 5/2019 has approved the publication of Good Corporate Governance and Code of Conduct Handbook 4<sup>th</sup> Edition ("CG Handbook"), and it is disclosed on the company's website [www.buriramsugar.com](http://www.buriramsugar.com) where employees, shareholders, stakeholders, and public can access to the information conveniently and equally. This review and amendment of the Good Corporate Governance Policy were created in line with the guidelines of CG Code which covers the 8 good corporate governance principles, however they were divided into 5 categories as 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

Furthermore, the Buriram Sugar Group places it as a duty and a responsibility for all of the board of directors, executives and employees to understand and act accordingly to the CG handbook. This is not voluntary mandate and cannot claim to its ignorance. By signing, it is to confirm to have accepted the term in the CG handbook and act on it accordingly.

More details of each category can be found in the "CG Handbook" on the company website. The operations on good corporate governance in 2019

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 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 2019 as follows;

- The company recognizes the importance of shareholders; therefore, the location and reception must be at their convenience. Thus, the 2019 Annual General Meeting of Shareholders was held on Thursday 25 April, 2019 at 10.00 AM at Anoma Room 2-3, 3<sup>th</sup> 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 2019 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 27 February 2019 via set portal system of the Stock Exchange of Thailand and the company's website: [www.buriramsugar.com](http://www.buriramsugar.com). List of shareholders entitled to have a right to attend the 2019 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 2019 Annual General Meeting of Shareholders, the company authorized Mr. Prachuab Chaiyasan, Chairman of the Board of Director (independent director) and Chairman of the Audit Committee (holding 0.05% of the company's shares at the date of 2019 Annual General Meeting of Shareholders) and Mrs. Seenuat Tasanapant Independent Director, Audit Committee Member, Chairman of Nomination and Remuneration Committee and Chairman of Corporate Governance Committee (No the company's shares at the date of 2019 Annual General Meeting of Shareholders) as the proxy, which included details such as name, surname, age, address experience, education, shareholding proportion, term of service, and no qualifications against laws and relevant regulations and so on.

- The Chairman shall allocate sufficient meeting time. At the 2019 Annual General Meeting of Shareholders, there were 6 agenda 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, casing 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 2019, the company's auditors from PricewaterhouseCoopers ABAS Ltd. attended the meeting, and an independent lawyer from Legal Advisory Council Limited Company ("LACL") 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 2019 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 2019, in

addition the company disclosed 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 related transactions with connected persons, the investment project and the subsidiary establishment, etc.

- 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 October 30, 2018 until January 31, 2019 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 2019, 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 (2019) at the Annual General Meeting on Thursday 25 April 2019, Chairman of the Board of Directors and directors totaling 11 persons, equivalent to 100%, including all member of all sub-committee 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 Legal Advisory Council Limited Company ("LACL") 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 Board of Directors reviewed and approved the amendment of such policy on December 18, 2019 and the operations in 2019 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 2019, 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 2-4, 2019 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](http://www.buriramsugar.com) on March 26, 2019. 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 4, 2019 prior to the meeting date.
- At the 2019 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. 2.2 conflict of interest and information confidentiality.

- 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 2019 on such issue stated in item no. 1: Rights of Shareholders).

**The summary of voting in each agenda on the 2019 Annual General Meeting of Shareholders held on Thursday 25 April, 2019**

Agenda No.	Agree		Disagree		Abstention		Voided Ballot	
	Votes	%	Votes	%	Votes	%	Votes	%
1	623,538,978	98.5961	8,878,800	1.4039	0	0.0000	0	0.0000
3	623,594,777	98.5962	8,878,800	1.4038	0	0.0000	0	0.0000
4	623,594,782	98.5962	8,878,800	1.4038	0	0.0000	0	0.0000
5.1	590,495,902	100.0000	0	0.0000	8,878,800	0.0000	0	0.0000
5.2	590,655,902	100.0000	0	0.0000	8,878,800	0.0000	0	0.0000
5.3	590,705,902	100.0000	0	0.0000	8,878,800	0.0000	0	0.0000
5.4	590,705,902	100.0000	0	0.0000	8,878,800	0.0000	0	0.0000
6	632,474,942	100.0000	0	0.0000	0	0.0000	0	0.0000
7	632,474,942	100.0000	0	0.0000	0	0.0000	0	0.0000

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 2019, as a guideline for all directors, executives and employees to treat the stakeholders properly, transparently and fairly, as well as to comply with for the actual consequences, BSG has reviewed these policies on an annual basis 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 since 2015 to present, which can be found in the Sustainability Report 2019 in the Investor Relations section of the company's website.

For Annual Report 2019 and Annual Registration Statement (Form 56-1) in 2019, 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 2019 (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 2019, examples of in-house and external training courses in 2019, activities of human resource development in 2019, human resource development plan 2020 (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 2019 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 2019, 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 BSG 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 2019.

#### **Mission**

BSG 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, BSG 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**

BSG has the intention to conduct business in line with the CG Code 2560 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 2019, 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**

BSG 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. BSG has a protection measure for employees who report an illegal activity or any violations against the Securities and Exchange Act. BSG 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. BSG will treat all employees equally without discrimination of race, nationality, gender, age, skin tone, religion and education.
3. BSG 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 BSG 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 BSG provides a provident fund for employees.
- 3.9 Notify the current operations and status of BSG 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 BSG 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.

Human resources management is one of the most important issue for the achievement of business operation and sustainable growth. So that, to define a direction of development and management the organization's personnel from policy to action, therefore BSG has undertaken various activities 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 2019, 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. Moreover, the company also assessed the customer satisfactions as below detail;

Customer satisfaction survey in the production year 2018/2019, the company submitted an evaluation form to 26 customers in total. It was determined the evaluation aspect in; 1. Products, 2. Service of domestic sales department, and 3. Service of any other related departments. In addition, the measurement criteria was divided into 3 levels of satisfaction; 1. Very satisfied 2. Moderately satisfied and 3. No comment.

Summary of results:

- Products, it was in criteria of Very satisfied 57.69%. The main score is from the quality with no contaminant 76.93%.
- Service of domestic sales department was in criteria of Very satisfied 88.77%. The main score is from the service which responded directly to the customer needs, politeness in communication and the integrity of sales documentation 80.77%.
- Service of other related departments was criteria in Very satisfied 61.54%. The main score is from the service of employees in weighing room 53.85% and warehouse 65.38%.

### 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 2019, 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, including the cooperation in complying with the anti-corruption policy of the company in 2019.

### **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 2019, 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**

BSG 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 and will not damage the business competitors' reputation without evidence or fairness.

In 2019, 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**

BSG 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 2019, 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.

Moreover, 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.

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 topic 10. Corporate Social Responsibility and the Sustainability Report of 2019.

### **3.9 Corporate social responsibility**

BSG 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 BSG and society.

In 2014 to present, BSG 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. BSG 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, BSG 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 BSG directly and indirectly. Moreover, BSG has received good cooperation from such sectors and organizations.

#### **4) Disclosure of Information and Transparency**

BSG prioritizes the information which is must be notified to the Stock Exchange of Thailand, the Securities and Exchange Commission (“SEC”), shareholders and related agencies. BSG 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 BSG 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 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 2019, 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 2019	Number of Time/ Year
- Company Visit	- Foreign investors 8 times
- Shareholders	- Factory Visit for Shareholders 1 times
- Analysts	- Analysts: 10 times
- Opportunity Day	- Activities with SET 2 times
Conference Call / Telephone Call	30 - 50 calls
Information Inquiries via E-mail	20 emails
Analyst Briefing	5 times
International Roadshow	-
Domestic Roadshow	-

- 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 2019 are disclosed in Attachment 1: Details of the Board of Directors, Executive Members, Controlling Persons and Company Secretary.

## 9.2 Board of Director and Subsidiary Committee

### 5) Board of Directors' Responsibilities

The Board of Directors has responsibility for the shareholders about business operations of BSG 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 BSG 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 27, May 13, August 19, and November 14 in 2019. 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 3<sup>rd</sup> 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 2019

Name	Number of Meeting Attendance													
	2019													
	AGM		Board of Directors		Audit Committee		Risk Management		Corporate Governance		Nomination and Remuneration		Executive Committee	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Mr. Anant Tangtongwechakit	1/1	100	5/5	100			4/4	100					10/11	90
2. Mrs. Wanphen Punyaniran	1/1	100	5/5	100									11/11	100
3. Mrs. Jirawan Pongpichitkul	1/1	100	5/5	100			4/4	100					11/11	100
4. Miss Chittima Tangtrongwechakit	1/1	100	5/5	100			4/4	100	2/2	100	2/2	100	11/11	100
5. Mr. Sarit Tangtrongwechakij	1/1	100	5/5	100			2/4	50					11/11	100
6. Mr. Adisak Tangtrongweachakit	1/1	100	5/5	100			4/4	100	2/2	100	2/2	100	11/11	100
7. Mr. Prachuab Chaiyasan	1/1	100	3/5	60	3/5	60								
8. Mr. Sirichai Sombutsiri	1/1	100	5/5	100	5/5	100								
9. Mrs. Seenual Tasanapant	1/1	100	5/5	100	5/5	100			2/2	100	2/2	100		
10. Assoc. Prof. Dr. Djitt Laowattana*	1/1	100	5/5	100					2/2	100				
11. Mr. Vichate Tantiwanich*	1/1	100	5/5	100							2/2	100		

Thus, the company has provided an opportunity to organize a meeting of non-executive directors in absence of the management. In 2019 there was 1 meeting.

#### ● The Board of Directors' Report

In 2019, 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 2019 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 and additional adjusted according to CG Code 2017 which was applied according to the company and 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 2019, 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 93.02%.
- **The self-assessment of the Board of Directors on an individual basis** was considered at the “**excellent level**”, or equivalent to 92.56%

**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 2019, the self -assessment of all sub-committees is concluded as follows;

Sub-Committees	Assessment Results (%)
Audit Committee	90.80
Risk Management Committee	85.20
Corporate Governance Committee	84.80
Nomination and Remuneration Committee	86.40
Executive Committee	89.76

For the 2019 assessment of the Managing Director, the criteria and results are as follows;

- 1: Leadership 95.50% (Excellent)
- 2: Determination of Strategy and Performance 91.50% (Excellent)
- 3: Planning and Financial Operating Performance 90.42% (Excellent)
- 4: Relationship with the Board of Directors and External Parties 95.68% (Excellent)
- 5: Management and Relationship with Personnel 93.33% (Excellent)
- 6: Succession Plan 93.75% (Excellent)
- 7: Expertise in the Company’s Business, Products and Service 96.88% (Excellent)
- 8: Personal Characteristics 96.00% (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 2019 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 2019 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 2019 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 2019 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 2019.

- **The orientation of new directors**

The company discloses such details in the Annual Report and Form 56-1 in 2019 in Part 2, item no. 8: Management Structure, Heading 9: The orientation of new directors. Nonetheless, in 2019, the company has restructured the company's Board from 9 persons to 11 persons by appointing 2 additional persons which are; Assoc. Prof. Dr. Djitt Laowattana, independent director and Mr. Vichet Tantiwanich, independent director due to the company's business expansion and in order to have improvement of efficiency and diversity in the structure of the company's Board of Director. Therefore, the company has arranged the orientation for both directors to understand the business features, and the goal of the company, including the regulations and the corporate governance, etc.

- **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 2019 in Part 2, item no. 8: Management Structure, Heading 8: Development of the directors and senior executives.

***Director and Sub-committee Director's Training Course Attendance in 2019***

Name	Position	Training Course	Date	Venue
Name	Position	Training Course	Date	Venue
Mr.Sarit Tangtrongwechakij	Director/ Executive Committee Member/ Risk Management Committee Member	1. Xponential Academy 2. Adizes Institute Worldwide	June 7 – 30 Aug June 20 – 22	Grand Center Point Thonglor Hotel Bangkok Marriott Marquis Queen's Park Hotel

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

<div> <div>Courses</div> <div>Name</div> </div>	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)	Board Nomination & Compensation Program (BNCP)	Boardroom Success through Financing and Investment (BFI)	Finance for Non-Finance Director (FN)	Monitoring Fraud Risk Management (MFM)	Monitoring Internal Audit Function, MIA	Understanding the Fundamental of Finance Statement (UFS)	Roles of Chairman Program	Monitoring the System of Internal and Risk Management (MIR)	Monitoring Financial Reporting (MFR)	Financial Institutions Governance Program (FGP)
1. Mr. Prachuab Chaiyasarn	83/2007	54/2006	-	-	-		4/2018								
2. Mrs. Seenuat Tasanapant	79/2007	55/2006	17/2007	-	-	3/2018									
3. Mr. Sirichai Sombutsiri	-	25//2004	-	-	-										
4. Mr. Djitt Laowattana	93/2007							2008	29/2009	1/2009	7/2009	2008	19/2008	7/2009	9/2009
5. Mr. Vichate Tantiwanich	2/2000	-	-	-	-	-	-								
6. Mr. Anant Tangtongwechakit	239/2017	99/2012	-	-	-										
7. Mrs. Wanphen Punyaniran	242/2017	98/2012	-	-	-										
8. Mrs. Jirawan Pongpichitkul	239/2017	98/2012	-	-	-										
9. Miss.Chittima Tangtrongwechakit	243/2017	98/2012	-	-	30/2016	3/2018									
10. Mr.Sarit Tangtrongwechakit	242/2017	98/2012	-	-	-										
11. Mr.Adisak Tangtrongwechakit	246/2017	98/2012	-	4/2016	-	3/2018									

### 2020 Training Plan for the Board of Directors and Sub-Committees

No.	Course	No. of Course	Institute	Project Matched	Date	Recommendation
1	Risk Management Program for Corporate Leaders (RCL)	19/2020	IOD	Risk Management Directors	13-14 Feb 2020	Mr.Asast / Mrs.Jirawan / Ms.Chittima / Mr.Sarit
2	Successful Formulation and Execution of Strategy (SFE)	32/2020	IOD	Directors, MD	30-31 Feb 2020	Mr.Asast/ Mrs.Jirawan / Mr.Adisak
3	Financial Statements for Directors (FSD)	41/2020	IOD	Directors	9-10 Mar 2020	Mrs. Waspen/ Mrs.Jirawan / Ms.Chittima / Mr.Sarit / Mr.Adisak
4	Ethical Leadership Program (ELP)	18/2020	IOD	CAC, Corporate Governance Directors	12 Feb 2020	Ms.Chittima
5	Corporate Governance for Executives (COE)	16/2020	IOD	Corporate Governance Directors, MD	21-22 Apr 2020	Mr.Seeanal / Mr.Asast / Ms.Chittima / Mr.Adisak
6	How to Develop a Risk Management Plan (HRP)	26/2020	IOD	Risk Management Directors	27-28 Jan 2020	Mr.Adisak
7	การเปลี่ยนแปลงของเทคโนโลยี, Geopolitical หรือการเปลี่ยนแปลงสกุลเงินที่กระทบต่ออัตราแลกเปลี่ยน	N/A	N/A	N/A	N/A	N/A

#### ● 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 2019 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 2019 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 2019 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”.

### **9.3 Nomination of Directors and Executives**

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

BSG 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 BSG 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**

BSG 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 BSG. Such procedures will be systematically organized in all levels of positions appropriately and transparently in order to ensure that BSG 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

#### **9.4 Supervision of Operations in Subsidiary and Associate Company**

##### **Supervision of Operations in Subsidiaries**

Buriram Sugar Public Company Limited ("the Company") has a mechanism to manage the subsidiaries as well as supervise the subsidiaries 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 subsidiaries in the best benefit for the company as a whole. Thus, the company supervises the business operations of the subsidiaries 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 2019, 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**

BSG 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, BSG 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 CG handbook of BSG which are approved by the Board of Directors.

#### **1. Objectives**

- To show BSG 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 CG handbook of BSG.
- BSG 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 BSG performs duties in line with laws, CG handbook.
- 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 BSG CG handbook of all stakeholders, rules, related handbooks, and further guidelines.
- This anti-corruption policy covers all relevant activities of BSG 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 as specified in the CG handbook of BSG.
  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 as specified in the CG handbook.
  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 BSG which should be done with transparency, honesty and legality.

In 2019, BSG has implemented activities to encourage good governance and anti-corruption as follows:

- 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” in order to instill moral and ethical consciousness.
- Regarding activities promoting the ethical practices in 2019, 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.

#### **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.

In addition, the company has conducted businesses in accordance with the policy and measures on anti-corruption continuously, as well as informed and communicated such matter to business partners and related parties, including organized in-house seminars and campaigns for the personnel in the organization. Furthermore, the company has opened the channel for receiving the complaint and suggestion (Whistleblowing) for the complaint from stakeholders through the suggestions box and postage which will be sent directly to the Chairman of Corporate Governance Committee. However, there was no any whistleblowing issue or suggestion received from stakeholders in the previous year.

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

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

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.

#### **9.5 Use of Internal Information**

##### **Conflict of interest and confidentiality of information**

###### **Conflict of interest**

In order to ensure that directors, executives, and employees of 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 and The Capital Market Supervisory Board, 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.

#### **Use of internal information**

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 2019, 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**

BSG 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 BSG or authorized unit reserves the right to audit the property use relating to BSG's information technology system as appropriate.
6. BSG 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 BSG owns.
8. Using other persons' information as a reference for BSG, 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 2019.

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

BSG has an intent to create a sustainable and stable business in accordance with the CG Code 2560 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 2019, 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 2019.

### **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, BSG 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 BSG 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 BSG 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 BSG.

#### **5. Granting or receiving presents, gifts or other benefits**

BSG 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 BSG 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 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				
		MD	SDMD	DMD	AMD	M
2	Business Expense					
2.5	Receiving gifts per person/times - Not Exceeding 3,000 Baht	✓	✓	✓	✓	✓

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

MD	=	Managing Director	SDMD	=	Senior Deputy Managing Director
DMD	=	Deputy Managing Director	AMD	=	Assistant Managing Director
M	=	Division Manager			

- 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				
2	Business Expense	MD	SDMD	DMD	AMD	M
2.4	Giving gifts per person/time					
	2.4.1 For private agencies	Value 20,000 baht upwards	Value not exceeding 20,000 Baht	Value not exceeding 15,000 baht	Value not exceeding 10,000 baht	Value not exceeding 5,000 baht
	2.4.2 For government agencies	Value not exceeding 3,000 baht				

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

MD	=	Managing Director	SDMD	=	Senior Deputy Managing Director
DMD	=	Deputy Managing Director	AMD	=	Assistant Managing Director
M	=	Division Manager			

## 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 BSG 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

BSG 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, BSG 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				
		MD	SDMD	DMD	AMD	M
2	Business Expense					
2.2	Charitable contributions per activity	Value 20,000 baht upwards	Value not exceeding 20,000 Baht	Value not exceeding 15,000 Baht	Value not exceeding 10,000 Baht	Value not exceeding 5,000 Baht

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

MD	=	Managing Director	SDMD	=	Senior Deputy Managing Director
DMD	=	Deputy Managing Director	AMD	=	Assistant Managing Director
M	=	Division Manager			

### 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 BSG for approval.

### **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 CG handbook. Thus, the internal audit office is assigned to perform duties as the whistle-blowing unit of BSG 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, 7<sup>th</sup> 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, 7<sup>th</sup> 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 CG 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 CG 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**

BSG 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, BSG is able to report such progress and explain the facts.
- 3.2 BSG 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 BSG 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 2019, 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**

BSG considers CG 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 CG handbook strictly. If any violations or non-compliances of such handbook, articles of association, and other regulations of BSG are found, they will be punished under “the work regulations”.

Guidance on Good Corporate Governance and Code of Conduct Handbook 4<sup>rd</sup> Edition (“CG 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 BSG business operations, or which may cause an impact on BSG.
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 BSG 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 BSG.
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 CG handbook and encourage other persons to do the same. Thus, the following actions are considered violations against the regulations specified in the CG 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 BSG. 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 CG 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, BSG rules, and CG 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.

In 2019, from the results of supervision, monitoring and evaluation of the compliance in line with the code of conduct and the good corporate governance policy of the company, the directors and the executives, as well as all employee followed and did not violate against the regulations specified in the CG handbook.

#### **9.6 Remuneration for Auditors**

Since 2011 to present, Buriram Sugar Group has hired PricewaterhouseCooper ABAS Ltd. for auditing and consulting continuously. In 2019, Buriram Sugar Group paid for the audit fee and non-audit

fee to PricewaterhouseCooper ABAS Ltd. 6,070,587 Baht. In this amount was separated into the examination fee for auditing of the company 1,500,000 Baht, the examination fee for auditing of 9 subsidiaries 4,475,000 Baht. In addition, 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, copied documents were accounted for 95,587 Baht. Moreover, 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.

## **9.7 Compliance and Applying of the Corporate Governance Code for Listed Companies 2017**

### **Compliance and review monitoring**

BSG has determined all directors, executives, and employees to have roles and responsibilities to understand, and comply with the policies specified in the CG 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 CG handbook of BSG 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 CG 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 CG handbook on a yearly basis.

Therefore, in 2019 and the early of 2020 the Board of Directors and the Corporate Governance Committee had reviewed the implementation of CG Code 2017 to the business operation suitably as follows:

- The Board of Directors acknowledged the practice of CG Code 2017 which issued by SEC and also recognized the duty as a governing body to create sustainable value for the organization.

- The Board of Directors had studied, as well as 2 directors had received the lecture of the CG Code 2017 and clearly understood the benefits and practices which can be applied to create sustainable values for the business.
- The Board of Directors assigned the Corporate Governance Committee to evaluate the compliance in line with the CG Code 2017 in each principle to ensure that there are proper procedures or development plan for the business. In addition, they specified the reviewing procedures of the implementation of CG Code 2017 to the business context suitably at least 1 time per annum. In 2019, the Corporate Governance Committee had evaluated the overall implementation of CG Code, which currently it is under process to make CG Code Gap Analysis plan.

#### **9.8 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 Corporate Governance Code for Listed Companies 2017, which was issued by the Securities and Exchange Commission. In 2019, the company performed in accordance with such principles, and specified in CG Handbook. However, there are some issues which still have not implemented.

##### **Implemented Principles in 2019**

- Added two more criteria of selection and nomination for consideration as a director as follows;
  - The director of the company should have qualifications that are consistent with the strategies and business goals of the company.
  - The director nomination is required to use a professional search firm or Director Pool database of Thai Institute of Directors (IOD) for consideration as well.

##### **Not Implemented Principles in 2019**

- **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 Remuneration 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 and in 2019, the Board of Director was appointed another one of independent director as a nomination and remuneration committee member. Therefore, the amount of independent director of this committee is equivalent to 50%. Both independent 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 54.54%, and 5 non-executive directors who are also independent directors or 45.46% 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.
- **Integrated report preparation,** the intergrated report is a report which is integrated the annual report and sustainability report together. The report pattern is according to IIRC (International Integrated Reporting Council); the report must have coherent context and also coherent to the company's strategy. Nonetheless, the making of such report shall require an expert and time to prepare. As of which, the company still not have sufficient manpower for preparing such report. However, the company still dedicate, focus and willing to prepare other kind of reports, such as Annual report, Annual registration statement (Form 56-1), Sustainability Report, and the other to have quality, integrity, and sufficient information disclosure for the benefits of shareholders, investors, and all stakeholders.
- **The board of directors should determine the term of independent directors clearly in regard to corporate governance policy of the company lasting no more than nine years and without a renewal.** In the present, selecting the independent directors who are suited with expertise and for the business operation is hard to come by. This renders the fact that the position is yet to be fulfilled.

## 10. Corporate Social Responsibility

### Policy of 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”

Furthermore, BSG has cooperated with the relevant persons in order to proceed for the social in many aspects continuously which are; Corporate Social Responsibility in Production Process (CSR In-Process) and the projects for social and environment beside from the regular business operation (CSR After-Process), in order to build the good relationship between the organization and the community and lead to creating the value added on the community and social upon the idea of ‘Sugar Made in the Field’ by covering the activities as below;

### 1. Corporate Social Responsibility in Production Process (CSR In-Process)

Starting from the upstream is developing the quality of the sugarcane which is the primary material to be in good quality, in order to transfer it to the production process by supporting the factors of production for sugarcane plantation, in order to collect the sugarcane with both quantity and quality. To be the instructor who shares the knowledge of production technology, and helps the sugarcane farmer carry out the sugarcane plantation with the correct method and proper timing. This will make the farmer earns the worthy profits from sugarcane farming, and they will have better quality of life; and sustainably do the sugarcane farming. Moreover, there is the personnel development in the process of materials survey to be efficient for taking care of the sugarcane; and provide suggestions on sugarcane plantations including the problem solving and assist the sugarcane farmer effectively.

Besides from developing the sugarcane farmers to acquire better knowledge as the professional and making a living sustainably and happily; BSG also studied and developed the new plan for sugarcane plantation pattern, sugarcane’s seed seeking, and proper production elements for the sugarcane farmers in each promotion area of sugarcane



plantation under the BSG, in order to help the sugarcane farmers be able to reduce the cost of production and increase sugarcane production, including maintaining the original sugarcane plantation area without changing to other kind of plantation – by making the sugarcane farmers earning the worthy profits from increasing the products and reducing the cost of production, and doing the precise farming achieving the products as per the target, including managing the important elements for the sugarcane production, using the equipment and technology for improving the efficiency.

Moreover, BSG has also arranged the “Specialist Increases Production” who supports the sugarcane plantation in order to pass on the knowledge to the sugarcane farmer to understand the production process of the sugarcane and granulated sugar. Therefore, in order to create the mindset and participation, the setup will require system of tracking the sugarcane farm according to the work instance and activities which the sugarcane requires, by using the geographical information in management system (Smart Farm System) – adjusting the cultivation with chemical organic fertilizer and dolomite in order to adjust the pH for enhancing the use of fertilizer, and improve the condition of the cultivation to be suitable for growth of the plants. There will be research on using the fertilizer in based on the analyzed soil’s condition; in order to make each area suitable for the proper fertilizer, earned more products and reduce the cost of production, including modifying the sugarcane seed to be suitable for the harvesting period and the factory’s production capacity in order to achieve the best materials for producing the best quality of sugar with the most efficiency, there will be testing plots for the sugarcane seeds in order to select the sugarcane seeds which is most suitable in the plantation area of the farmers and use the Biological Control for preventing and exterminate the sugarcane pests.



Besides from the activities, BSG also have the campaign for fresh sugarcane harvesting since burning the sugarcane has a lot of flaws such as; burning the sugarcane destroy more sugarcane stumps, the sugarcane will sprout slower than usual or never sprout at all, sugarcane will grow slowly and cannot endure the arid weather condition, and it will also eliminate the useful insects – insects that exterminate the pests, and it can cause the pandemic of sugarcane pests such as the sugarcane borer. Therefore, burning the sugarcane is very destructive to the environment, and it also cause bad health to both humans and animals, including the possible damages to the properties and against the laws, and it can also be the excuse for the sugar importing nation to refuse buying the sugar from Thailand because it causes the global warming by burning the sugarcane which is very serious excuse.

In term of developing the water sources, BSG has developed and supported using the water in the sugarcane farm in all aspects because the sugarcane plantation in Buriram province is the plantation area that does not have the irrigation system and depends upon the water from the rain only. As of which, it was unable to develop the products to achieve the required target. Hence, there should be the support and development of the water usage for the farmers to be suitable for the location and current water source, including providing low-interests loan source of the Office of Cane and Sugar Board – Ministry of Industry, in order to provide more options and helps in aspect of production elements both equipment for water system and the artesian well excavation for having the groundwater to be used in the event where the farmers do not have natural water source or their own farm-pond. Therefore, in order to achieve the resolution for drought weather issue and the improvement of the products increase without waiting for the rain only, and it will also increase the sugar products of the company every year as per the target; whereas, the usage of water by sugarcane farmers for improving the productions increases every year which requires the water source around 8% in year 2017/2018.



In addition, there is also intervention of the conscience of social responsibility in the production process (CSR In-Process) under the idea of Zero Waste Management in all productions process; with the awareness of the value of resources, and using the resources for the most benefits, prioritizing the eco-friendly process, and converting the waste of production process into value added products which is making the most efficiency and effectiveness out of the resources, and it would also raise the price of the agricultural product as well.

**The social responsibilities in the production process by the adding values to by-products are as below;**

- **Molasses**

It is the byproduct from the sugar cane's boiling process which is the liquid left after it was separated from the sugar crystals. It is thick with dark-brown color and most of its elements are un-crystalized sucrose. In the process of making the granulated sugar, it will leave the molasses around 40-45 kilograms per 1 ton of the extracted sugar cane. The molasses can be used as the ingredients of foods and drinks such as; alcoholic beverages, yeast, Monosodium Glutamate, animal food, vinegar, soil sauce and dressing sauce; and the company group sells the molasses to the food and beverage industry.

- **Bagasse**

It is the product left after the process of sugarcane extraction – it consists of Carbon, Hydrogen, Oxygen, and Nitrogen which is very good qualification of fuel – after drying the bagasse, it can be used as fuel

for electricity producing. Nowadays, the sugar factory sells the bagasse to the power plant in the company group, and buying the outstanding electricity after distribution to the Provincial Electricity Authority (PEA) to be used in the sugar factory afterwards.

The biomass power plant business is operated by Buriram Energy Co., Ltd. (“BEC”), Buriram Power Co., Ltd. (“BPC”) and Buriram Power Plus Co., Ltd. (“BPP”) with the concept of “Electricity for Community and Society” and it has always been held onto. Besides from producing the efficient electricity energy, maintaining the environment and considering on the community including stakeholder are also the significant obligation in respect of Buriram Sugar’s power plant business; which can be seen from the awards or certificates that the power plants achieved such as; Best Governance Award in Province of 2016, Certificate of Green Industry Level 2 – Green Activity and Level 3 – Green System.

Moreover, BSG also has the investment plan in 2018, by establishing Sugarcane Ecoware Co., Ltd. (“SEW”) for producing the packaging made of the bagasse in respect of healthy consumer and environment; which is continuous business by using the sugarcane without any leftover, in order to maintain the environment and develop the quality sugarcane products that will raise the sugarcane farmers’ income, and be able to improve their quality of life and rely on themselves.

- **Filter Cake**

Key Brand Fertilizer Co., Ltd. (“KBF”) has started its business of producing and selling the organic fertilizer in December 2012. It uses the Filter Cake which is the byproduct from sugar refining process, as the material for making the organic fertilizer; and, it has started producing and selling for fulfilling the needs of the sugarcane farmers for maintaining the sugarcane in good condition. The fertilizer factory is located nearby the sugar factory for the convenience of transporting the filter cake which is the primary material, and it will also help saving the cost of the material’s transportation. Prior the product’s distribution, KBF has done the research and tested it with the demonstrated plots, in order to study the reactions and growth rate of the sugarcane. Once it is found to be effective, it will be recommended to the sugarcane farmers to use. Throughout the past until the present, products of KBF have always been influencing the growth of sugarcane positively and reached the standards in accordance with the Fertilizer Act B.E. 2518; also, it has low cost and it is accepted by the sugarcane farmers.

- **Steam**

It is the byproduct from the production process which has benefits in propelling the machine including producing the steam. Buriram Sugar Factory Co., Ltd. has total electricity production capacity from steam of 18.5 Mega Watts. Currently, the company’s actually produces the electricity 14.5-15 Mega Watts in average, for using inside the sugar factory, in order to save cost of the electricity supply, it is the method of managing the resources for the most benefits of the company.

## 2. The Project for society and environment besides from the regular business operation (CSR After-process)

### In Term of Social

Sharing the opportunity among the people in community is obligation that the BSG prioritize in all communities around the establishment and the sugarcane plantation supporting areas; especially providing opportunity of education through the project of returning knowledge to the youth, banning children labor inside the sugarcane farm, support on providing funds and budget for education to the schools in the business area of the company group. In addition, it also provides access of public health service to the community. Last year, it has arranged the 5<sup>th</sup> Mobilized Health Unit Project collaborated with Hin Lek Fai Sub-District Health Promoting Hospital, Elders' Dental Health Promoting Project collaborating with the Public Health Department of Hin Lek Fai Municipality. Moreover, there is the housing project for the underprivileged people in the community around the establishment, in order to provide better hygiene and quality of life to the people in community.



### Educational Support

The public and community relations department collaborated with BSG's volunteer staffs to organize the project named "The 5<sup>th</sup> 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 which school has been a representative of the Northeast Region to participate in 68<sup>th</sup> and receipt of the winner award have been implemented for 5 consecutive years. As well as 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 Promoting**

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 5<sup>th</sup> mobile health unit activities upon health check-up service were provided for people who live in 5-kilometer-distance workplace area. Furthermore, the Public Relations and Communication Department was created the health promoting media to publish in the schools, Sub-District Health Promoting Hospitals, and local government office. As well as, to survey the living conditions of people around the nearby workplace in order to create the strong relationship with the communities.



### **Occupations Promotion**

The company group is aware of the responsibility to the community around the nearby workplace since the beginning of the business; by promoting the supplementary occupations besides from the farmer career as below;

- Agricultural Occupation Promotion Project – Organic Composed Fertilizer by Non Tao Thong Community
- Organic Agricultural Occupation Promotion Project by Non Klang Community (Non-toxic Jasmine)
- Organic Agricultural Occupation Promotion Project by Sao Ae Community
- Agricultural Occupation Promotion Project – Handmade Red-striped Bottom Sarong by Khoo Bon Community
- Occupation Promotion Project – Handmade Reed Mat (Suea Kok) by Baan Sao Ae School

Promoting the occupations as mentioned above and including other occupations to the communities nearby the workplace and the promotion area of sugarcane plantation of the company group, can built the strength among the people in the communities, and it also create the confidence, acceptance, and reliability of the community towards the company group as well.



### **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 monastery construction for Sao Ae temple which is a temple in the community, the annual activities of Songkran Festival and the Elderly Day at Silareung temple, Ban Hin Lek Fai. All of these activities showed the great collaboration outcomes from both BSG's employees and the communities.



### **In Term of Environment**

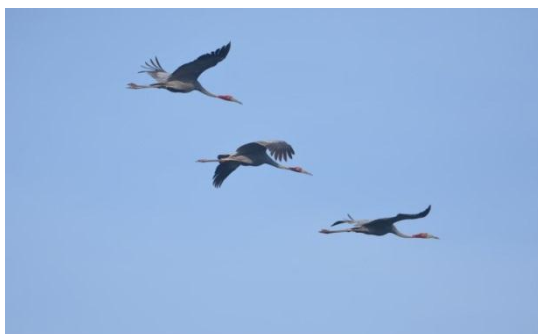
The company group has participated in returning the Eastern Sarus Crane population back to the wild collaborating with the Zoological Park Organization of Thailand and competent authorities, including other private sectors. As of which, participating this project is the whole new history of work in term of wild animals conservation of Thailand which is attempting to recover the population of the wild animals that used to be extinct from the nature to return once again. Moreover, it is also the connection to the habitats and the map of the expanding of the Eastern Sarus Crane population in South East Asia that was lost; it also prevented the loss of biodiversity and genetic diversity which provide benefits to the Sarus Crane Population in the future. Furthermore, since the Sarus Crane was extinct by nature and has its habitats limited in South East Asia only, it became one kind of the birds that the bird watchers around the world including in Thailand pay attentions to it.

Due to the awareness of the significance of biodiversity and environment conservation, collaborating with the Zoological Park Organization of Thailand, Department of Irrigation, and Buriram Provincial Authorities, have established the Wetlands and Eastern Sarus Crane Conservation Center in the Non-Hunting Area of Huay Jorakhe Mak – Buriram Province; in order to pass on the knowledge to the locals and those who are interested and the bird watchers from around the world that having Eastern Sarus Crane living in the nature can be extended to conservative tourism. It will improve the tourism in the way of environmental caring, and promote the local community to participate in conservation, increasing the income and develop the community's economy, including the opportunity that Thai's youth will be able to see Eastern Sarus Crane in the wild as well.



As of August 5, 2019, the Wetlands and Eastern Sarus Crane Conservation Center has been officially launched as the learning center. This successful construction project is supported approximately 10 Million Baht by Buriram Sugar Public Company Limited. On its opening day, the 10 Eastern Sarus Cranes were released to the nature, and the exhibition and activities were held in order to bring about the awareness of nature conservation's goal including protecting endangered species from extinction in Thailand.

Nowadays, the success of this project which has been conducted by The Zoological Park Organization since 2011 has illustrated by the release of the 105 Eastern Sarus Cranes back to their habitats and their survival rate of 71 Eastern Sarus Cranes. Together with government agencies, the private sectors including the local community support and conservation.



According to the Corporate Social Responsibility works stated above; since, Buriram Sugar Company group believes that Social Responsibility is one of the significant key that would bring the organization to grow with sustainability, along with developing the society, economy and the culture of the nation afterwards. The collections of the details of the activities and Corporate Social Responsibility works throughout the year 2019 are gathered in the Sustainability Report which will be published on [www.buriramsugar.com](http://www.buriramsugar.com) in "Sustainability – CSR Report" topic.

## 11. Internal Control and Risk Management

### 1. Internal Control

Regarding the Board of Directors' meeting No. 1/2020 was held on February 28, 2020 in presence of the independent directors and 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) Organization and 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 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.

The company and its subsidiaries place importance on the appropriate and sufficient internal control system to ensure effective business operations. Thus, the company and its subsidiaries have 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 2019, 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. As of December 31, 2019, the internal audit office comprises three employees, all of whom notified that there was no defect in regard to the internal control system.

The internal audit office was created the audit plan by considering the potential risk factors which in the Audit Committee Meeting No. 4/2019, held on November 14, 2019, approved the internal audit plan for 2020, with an emphasis on internal auditing, financial management process, farmer promotion, procurement system, sugar production process, payment process and auditing according to anti-corruption policy, including the inspection of projects with high investment value.

## 2. 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. The risk management principles will be in compliance with the COSO (The Committee of Sponsoring Organizations of the Treadway Commission) as defined.

The Risk Management Committee is aware of risk management, therefore to appoint the risk management office in order to run through all enterprise risk management according to the Three Line of Defence framework. Moreover, each business unit has to set KRIs and threshold to monitor the risk status closely.

In term of the risk culture, the company regularly organized training to educate employees for corporate risk management basis for the operational level to understand the risk management process 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 and in the same direction.

## 12. Related Transactions

Persons who may cause a conflict of interests include director, shareholders and/or executives of the company or their relevant persons and companies; that is: the companies that may cause a conflict of interests adhered to directors, executives 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 4.08% 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 Tangtrongweachakit	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 4.06% of the company's shares.
7.	Police Colonel 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 people no. 1-6 as shareholders, and 2 co-directors with the company: that is; Mr. Anant Tangtongwechakit and Mr. Adisak Tangtrongweachakit and Ms. Kornkanok Punyaniran (Mrs. Wanphen Punyaniran's daughter and the subsidiary's executive) also is a director.
11.	The Thai Sugar Trading Corp., Ltd.	There is a no. 1 co-director with the company: that is; Mr. Anant Tangtongwechakit, and BSF is a subsidiary of the company holds 4.26% of the shares.
12.	Buriram Capital Co., Ltd.	There are 6 co-directors with the company: that are; people no. 1-6 and Buriram Capital Co., Ltd. holds 50.51% of the company's shares.
13.	BR Molasses Trading Co. Ltd.	There is a no. 1 co-director with the company: that is; Mr. Anant Tangtongwechakit and Mrs. Sureewan Tangtongwechakit who is Mr. Anant Tangtongwechakit's spouse, also is a director.

**Related Transaction with Potential Conflict Parties**

Parties with Conflict of Interest	Nature of Transactions	Amount (Baht)	Reason and Necessity of Transactions
1. The Thai Sugar Trading Corp., Ltd. ("TSTC")	<u>Transactions with the company</u> - Revenue from sales  - Selling and administrative expenses (export agent charge, financial instruments trading agent charge, transportation at sea port fee, export documents and customs procedures)  - Trade receivables/ Other receivables - Trade payables	2,568,680,889  1,884,821  128,019,010 327,774	<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- In sugar export, the company contacts customers itself. The TSTC provides service in product administration and export document operation only.</li> <li>- 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.</li> <li>- 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.</li> </ul> <p><b><u>Opinions of the Audit Committee</u></b></p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- Export service expenses and related interest rate are reasonable.</li> </ul>
2. The 6 directors are Mr. Anant Tangtongwechakit, Mr. Adisak Tangtrongweachakit,	As of December 31, 2019, 6 directors are loan guarantors of 20 cars and 2 machines used for moving materials of the company		<ul style="list-style-type: none"> <li>- The hire purchase was conducted for business administrations and operations of the company.</li> </ul>

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Parties with Conflict of Interest	Nature of Transactions	Amount (Baht)	Reason and Necessity of Transactions
Mr. Sarit Tangtrongwechakit, Mrs. Jirawan Pongpichitkul, Miss Chittima Tangtrongwechakit, and Mrs. Wanphen Punyaniran	group with commercial banks and leasing companies for totaling 22 machines of the total guarantee amount of 43,161,941 Baht, and 13 photocopy machines totaling 828,180 Baht.		<b><u>Opinions of the Audit Committee</u></b> <ul style="list-style-type: none"> <li>- 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.</li> </ul>
3. The 6 directors are Mr. Anant Tangtongwechakit, Mr. Adisak Tangtrongweachakit, Mr. Sarit Tangtrongwechakit, Mrs. Jirawan Pongpichitkul Miss Chittima Tangtrongwechakit and Mrs. Wanphen Punyaniran	As of December 31, 2019, 6 directors are loan guarantors of the company and its subsidiaries with a commercial bank for the value of such guarantee by 320 Million Baht.		<ul style="list-style-type: none"> <li>- 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.</li> </ul> <b><u>Opinions of the Audit Committee</u></b> <ul style="list-style-type: none"> <li>- 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.</li> </ul>
4. The 3 directors are Mr. Anant Tangtongwechakit, Mr. Adisak Tangtrongweachakit, Mrs. Jirawan Pongpichitkul  and 3 close relatives of the directors: Police Colonel Charnchai Pongpichitkul, Mr. Pond Rattanapunsak, and Mr. Phakphoom Pongpichitkul	<b><u>Farmer receivables – advance credit</u></b> In production year 2018/2019, 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: <ul style="list-style-type: none"> <li>- Principal</li> <li>- Loans during the period</li> <li>- Total loan</li> <li>- Paid during the period</li> <li>- Accounts receivable balances</li> <li>- Value of sugarcane purchased</li> <li>- Value of fertilizers and factors of production sold</li> </ul>	29,479,417 5,173,953 34,653,370 18,233,558 16,419,812 11,709,704 7,549,657	<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> </ul> <b><u>Opinions of the Audit Committee</u></b> <ul style="list-style-type: none"> <li>- 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.</li> </ul>



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Parties with Conflict of Interest	Nature of Transactions	Amount (Baht)	Reason and Necessity of Transactions
5. The 6 directors are Mr. Anant Tangtongwechakit, Mr. Adisak Tangtrongweachakit, Mr. Sarit Tangtrongwechakit, Mrs. Jirawan Pongpichitkul Miss Chittima Tangtrongwechakit and Mrs. Wanphen Punyaniran	- Other receivables	490,458	- Share Subscription receivables of BRR Logistics Management Co., Ltd.  <b><u>Opinions of the Audit Committee</u></b>  - The establishment of the new subsidiary of the company group is considered as a normal business operation, including the condition are conducted the same as other persons.
6. The 4 directors are Mr. Anant Tangtongwechakit, Mr. Adisak Tangtrongweachakit, Mr. Sarit Tangtrongwechakit, Mrs. Jirawan Pongpichitkul	- Other payables	103,499	- As of December 31, 2019, there is a director who is the other accrual payable.  <b><u>Opinions of the Audit Committee</u></b>  - The remuneration of the directors is paid in accordance with a normal operation of business. The remuneration rate is reasonably determined.
7. BRS Train Terminal Logistics Co., Ltd. ("BRS")	The company has hired BRS Train Terminal Logistics Co., Ltd. to transport products of the company.  - Rental fee of machine and production equipment  - Wage and Service fee  - Revenue	  35,000  23,000  -180,000	- 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.

Parties with Conflict of Interest	Nature of Transactions	Amount (Baht)	Reason and Necessity of Transactions
			<p>- 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.</p> <p><b>Opinions of the Audit Committee</b></p> <p>- The company does not affiliate BRS into its business group due to BRS's business is considered as a high uncertainty, so such excluded business helps reduce the operational risk.</p> <p>- 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'.</p> <p>- The office rental fee is to support its business operations with the rental rate comparable to other rental rate of nearby areas.</p>
8. The 1 director is Mr. Adisak Tangtrongweachakit	<p><u>Leased Assets</u></p> <p>1. Buriram Energy Co., Ltd. ("BEC") has contracted for renting the land of 6 Rai, 69 square wa from the director with the rental fee of 24,690 Baht/Year.</p> <p>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.</p> <p>3. BEC has contracted for renting the land of 10 Rai, 26 square wa from the director with the rental fee of 40,260 Baht/Year.</p>	120,370	<p>- 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> <p><b>Opinions of the Audit Committee</b></p> <p>- 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.</p>

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Parties with Conflict of Interest	Nature of Transactions	Amount (Baht)	Reason and Necessity of Transactions
9. BR Molasses Trading Co., Ltd.	<u>Transactions with the company</u> -Revenue from sales -Account Receivables -Advance Payment for goods	514,236,803 69,828,957 151,741,469	- BR Molasses Trading Co., Ltd. has signed Molasses sales and purchase agreement on condition that it required 50% advance payment before the delivery in line with the contract. The selling price is conducted the same as other customers of the company. - BR Molasses Trading Co., Ltd has signed Bulk sugar sales and purchase agreement on condition that it required 50% advance payment in line with the contract. The selling price is conducted the same as other customers of the company.  <u>Opinions of the Audit Committee</u> - Molasses sales are considered as a normal operation of general sugar factory business, including the price and condition are conducted the same as other persons.

Note: Shareholders and / or investors can see the related transaction data for the past 3 years on the company website at <http://www.buriramsugar.com>, choose topic “Investor Relations”

>> then “Publication and Download” >> and choose “Annual report an Form 56-1”

### **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 has 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 and the Capital Market Supervisory Board, 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 2017 were audited by Mr. Prasit Yuengsrikul a certified public accountant (Thailand) No. 4174 and the consolidated financial statements ended December 2018 and 2019 were audited by Mr. Sa-Nga Chokenitisawat a certified public accountant (Thailand) No. 11251 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, 2017, 2018 and 2019 on the consolidated financial statements including 10 subsidiaries as follows;



## Statements of Financial Position

(Unit : Million Baht)

	As at December 31					
	2017 (Consolidated)		2018 (Consolidated)		2019 (Consolidated)	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Deposits with financial institutions	229.07	2.48	179.13	1.74	40.61	0.43
Trade receivables – net	255.56	2.77	360.41	3.51	388.69	4.12
Farmer receivables – net	868.43	9.41	598.55	5.82	210.62	2.23
Accrued revenue – Office of Cane and Sugar Fund			301.51	2.93	325.52	3.45
Inventories	1060.77	11.49	1,337.51	13.02	911.95	9.67
Current portion of long-term borrowings to farmers	224.92	2.44	134.93	1.31	127.43	1.35
Other current assets	16.75	0.18	58.48	0.57	65.31	0.69
<b>Total current assets</b>	<b>2,655.50</b>	<b>28.76</b>	<b>2,970.52</b>	<b>28.91</b>	<b>2,070.13</b>	<b>21.95</b>
<b>Non-current assets</b>						
Farmer non-current receivables			27.11	0.26	31.12	0.33
Non-current accrued revenue– Office of Cane and Sugar Fund			148.08	1.44	158.76	1.68
Other long-term investments – net	2.14	0.02	2.05	0.02	1.41	0.01
Investment in an associate	1,227.13	13.29	1,208.11	11.76	1,111.34	11.79
Long-term borrowings to farmers – net	308.24	3.34	272.94	2.66	193.26	2.05
Real estate investment			3.97	0.04	3.97	0.04
Property, plant and equipment – net	4,810.70	52.1	5,432.15	52.86	5,674.84	60.18
Intangible assets – net	26.23	0.28	31.09	0.30	31.06	0.33
Deferred tax assets – net	194.43	2.11	162.60	1.58	126.61	1.34
Other non-current assets	8.37	0.09	17.60	0.17	26.75	0.28
<b>Total non-current assets</b>	<b>6,577.24</b>	<b>71.24</b>	<b>7,305.71</b>	<b>71.09</b>	<b>7,359.12</b>	<b>78.05</b>
<b>Total assets</b>	<b>9,232.74</b>	<b>100</b>	<b>10,276.23</b>	<b>100.00</b>	<b>9,429.25</b>	<b>100.00</b>

(Unit : Million Baht)

	As at December 31					
	2017 (Consolidated)		2018 (Consolidated)		2019 (Consolidated)	
	Amount	Percent	Amount	Percent	Amount	Percent
<b><u>Liabilities and equity</u></b>						
<b><u>Current liabilities</u></b>						
Bank overdrafts	-		0.34	0.00	-	-
Trade and other payables	716.12	7.76	817.89	7.96	839.19	8.90
Short-term borrowings from financial institutions	1,136.30	12.31	2,617.91	25.48	2,611.88	27.70
Current portion of long-term borrowings from financial institutions due within 1 year	450.39	4.88	384.14	3.74	295.99	3.14
Current portion of long-term borrowings from an associate due within 1 year	172.59	1.87	202.51	1.97	211.24	2.24
Current portion of hire-purchase liabilities due within 1 year	10.87	0.12	10.89	0.11	7.18	0.08
Debentures	-	0	-	-	-	-
Long-term borrowings from financial institutions	0	0	-	-	-	-
Current portion of employee benefit obligations due within 1 year	7.72	0.08	7.50	0.07	8.04	0.09
Income tax payable	30.89	0.33	6.46	0.06	4.67	0.05
Other current assets	24.53	0.27	14.42	0.14	9.83	0.10
<b>Total current liabilities</b>	<b>2,549.41</b>	<b>27.61</b>	<b>4,062.06</b>	<b>39.53</b>	<b>3,988.02</b>	<b>42.29</b>
<b><u>Non-current liabilities</u></b>						
Long-term borrowings from financial institutions	805.27	8.72	487.79	4.75	488.47	5.18
Long-term borrowings from an associate – net due within 1 year	3,356.80	36.36	3,177.32	30.92	3,024.41	32.07
Hire-purchase liabilities – net due within 1 year	14.43	0.16	10.50	0.10	8.67	0.09
Debentures	-		-	-	-	-
Deferred tax liabilities – net	-		-	-	-	-
Retirement benefit obligations – net	34.29	0.37	38.04	0.37	56.74	0.60
Other non-current liabilities	-		-	-	-	-
<b>Total non-current liabilities</b>	<b>4,210.79</b>	<b>45.61</b>	<b>3,713.65</b>	<b>36.14</b>	<b>3,578.30</b>	<b>37.95</b>
<b>Total liabilities</b>	<b>6,760.20</b>	<b>73.22</b>	<b>7,775.72</b>	<b>75.67</b>	<b>7,566.32</b>	<b>80.24</b>

(Unit : Million Baht)

	As at December 31					
	2017 (Consolidated)		2018 (Consolidated)		2019 (Consolidated)	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Equity</b>			-	-	-	-
Share capital			-	-	-	-
Authorized share capital	812.1	8.8	812.10	7.90		-
Issued and paid-up share capital	812.1	8.8	812.10	7.90	812.10	8.61
Premium on ordinary shares	954.67	10.34	954.67	9.29	954.67	10.12
Retained earnings			-	-	-	-
Appropriated – Legal reserve	51.77	0.56	56.60	0.55	56.60	0.60
Unappropriated	652.55	7.07	675.70	6.58	38.25	0.41
Other components of equity	0.1		0.06	0.00	-	-
Non-controlling interests	1.33	0.01	1.38	0.01	1.32	0.01
<b>Total equity</b>	<b>2,472.52</b>		<b>2,500.51</b>	<b>24.33</b>	<b>1,862.93</b>	<b>19.76</b>
<b>Total liabilities and equity</b>	<b>9,232.74</b>	<b>100</b>	<b>10,276.23</b>	<b>100</b>	<b>9,429.25</b>	<b>100</b>

## Statements of Comprehensive Income

(Unit : Million Baht)

	2017		2018		2019	
	(Consolidated)		(Consolidated)		(Consolidated)	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Revenue</b>						
Revenue from sales and services	5,740.44	97.37	5,555.97	95.06	4,985.16	97.43
Other revenue	155.31	2.63	288.84	4.94	131.48	2.57
<b>Total revenue</b>	<b>5,895.75</b>	<b>100</b>	<b>5,844.81</b>	<b>100</b>	<b>5,116.64</b>	<b>100</b>
<b>Expenses</b>						
Cost of sales and service	4,428.22	75.11	4,508.87	77.14	4,469.21	87.35
Selling expenses	193.67	3.28	321.61	5.50	304.18	5.94
Administrative expenses	411.05	6.97	388.31	6.64	501.31	9.80
<b>Total expenses</b>	<b>5,032.94</b>	<b>85.37</b>	<b>5,218.79</b>	<b>89.29</b>	<b>5,274.70</b>	<b>103.09</b>
Finance costs	283.78	4.81	385.99	6.60	384.00	7.50
Share of profit from an associate	32.42	0.55	71.85	1.23	63.78	1.25
<b>Profit before income tax expense</b>	<b>611.45</b>	<b>9.64</b>	<b>311.88</b>	<b>5.34</b>	<b>478.28</b>	<b>9.35</b>
Income tax expense	86.03	1.46	40.21	0.69	33.49	0.65
<b>Net profit for the year</b>	<b>525.41</b>	<b>8.91</b>	<b>271.67</b>	<b>4.65</b>	<b>511.77</b>	<b>10.00</b>
<b>Profit from measurement in value of available-for-sale investments – net of tax</b>	<b>0.11</b>	<b>0</b>	<b>0.07</b>	<b>0.00</b>	<b>0.06</b>	<b>0.00</b>
<b>Actuarial gain</b>	<b>-8.73</b>	<b>0.15</b>	<b>-</b>	<b>-</b>	<b>3.93</b>	<b>0.08</b>
<b>Total comprehensive income for the year</b>	<b>516.8</b>	<b>8.77</b>	<b>271.60</b>	<b>4.65</b>	<b>515.76</b>	<b>10.08</b>
<b>Profit attributable to:</b>						
Owners of the parent	524.73	8.9	271.62	4.65	511.71	10.00
Non-controlling interests	0.69	0.01	0.05	0.00	0.06	0.00
<b>Earnings per share (Baht)**</b>	<b>0.65</b>		<b>0.33</b>		<b>-0.63</b>	

**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)

	2017	2018	2019
	(Consolidated)	(Consolidated)	(Consolidated)
	Amount	Amount	Amount
<b><u>Cash flows from operating activities</u></b>			
<b>Profit before income tax expense</b>	<b>611.45</b>	<b>311.88</b>	<b>- 478.28</b>
<b>Adjustments to reconcile profit for the year to net cash provided by operations:</b>			
Depreciation and amortization	259.1	289.56	344.22
Interest income	-100.75	- 82.89	- 59.30
Dividend income	-0.15	- 0.20	- 0.20
Allowance for doubtful accounts	5.38	- 5.95	4.62
Allowance for declining in value of inventories	-0.34	12.27	- 7.62
Losses on impairment of property, plant and equipment	0	-	98.42
(Gains) from available-for-sale investments			- 0.15
(Gains) losses on disposals of property, plant and equipment	0.78	- 1.58	1.57
Losses on write-off of property, plant and equipment	25.89	11.16	30.63
Losses on disposals of investments	0	-	-
Finance costs	283.78	385.99	384.00
Share of profit from an associate	-32.42	- 71.85	- 63.78
Employee benefit expenses of employment termination or retirement	3.79	5.13	18.63
<b><u>Cash flows before changes in operating assets and liabilities</u></b>	<b>1056.51</b>	<b>853.53</b>	<b>272.75</b>
<b><u>Changes in operating assets and liabilities</u></b>			
Trade and other receivables	-37.15	- 103.55	- 27.76
Accrued revenue – Office of Cane and Sugar Fund		- 301.51	- 24.01
Farmer receivables	112.84	274.51	382.80
Inventories	-478.8	- 289.01	433.17
Other current assets	31.49	- 25.42	- 6.82
Farmer non-current receivables		- 27.11	- 4.01
Other receivable – Office of the Cane and Sugar Fund	0	- 148.08	- 10.68
Other non-current assets	9.23	- 9.23	- 9.14
Trade and other payables	67.96	92.21	18.84
Other current liabilities	8.78	- 10.12	- 4.58
Employee benefit obligations	-5.28	- 1.60	- 3.92
Other non-current liabilities	-0.85	-	-
<b>Cash generated from (used in) operating activities</b>	<b>764.73</b>	<b>304.63</b>	<b>1,016.63</b>

	2017	2018	2019
	(Consolidated)	(Consolidated)	(Consolidated)
	Amount	Amount	Amount
<b>Income tax return</b>			12.18
Income tax paid	-56.3	- 49.10	- 10.40
Finance costs	-238.12	- 376.29	- 381.57
<b>Net cash generated from (used in) operating activities</b>	<b>470.31</b>	<b>- 120.76</b>	<b>636.84</b>
<b>Cash flows from investing activities</b>			
Interest received	100.75	82.89	59.30
Dividend income	0.15	91.08	65.91
Proceeds from capital decrease of an associate			94.85
Purchase of investment in an associate	-1194.71	-	-
Proceeds from available-for-sale investments			0.72
Proceeds from long-term borrowings to farmers	128.03	226.45	123.39
Payments on long-term borrowings to farmers	-282.4	- 101.16	- 36.21
Purchases of Real estate investment		- 3.97	-
Proceeds from disposals of property, plant and equipment	2.92	2.70	0.31
Purchases of property, plant and equipment	-399.25	- 907.20	- 692.67
Capitalized borrowing costs to property, plant and equipment	-3.44	- 11.71	- 18.98
<b>Net cash (used in) generated from investing activities</b>	<b>-1647.95</b>	<b>- 620.92</b>	<b>- 403.39</b>
<b>Cash flows from financing activities</b>			
Increased (decreased) from short-term borrowings from financial institutions	-573.95	1,481.95	- 6.38
Proceeds from long-term borrowings from financial institutions	289	-	299.63
Proceeds from long-term borrowings from an associate	3,539.75	-	-
Proceeds from issuance of debentures	-	-	-
Repayments on long-term borrowings from financial institutions	-925.22	- 383.72	- 387.09
Repayments on long-term borrowings from an associate	-10.36	- 149.55	- 144.18
Repayments on debentures	-850	-	-
Repayments on hire-purchase liabilities	-10.97	- 13.16	- 12.15
Proceeds from issuance of ordinary shares from non-controlling interests		0.00	
Repayments on stock payable		-	-
Borrowings of directors increased (decreased)		-	-
Dividend paid	-136.89	- 243.78	- 121.78
<b>Net cash generated from (used in) financing activities</b>	<b>1321.36</b>	<b>691.74</b>	<b>- 371.96</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>143.72</b>	<b>- 49.94</b>	<b>- 138.51</b>
<b>Cash and cash equivalents at opening balance</b>	<b>85.34</b>	<b>229.07</b>	<b>179.13</b>
<b>Cash and cash equivalents at closing balance</b>	<b>229.07</b>	<b>179.13</b>	<b>40.61</b>



**Financial Ratio**

	2017	2018	2019
<b><u>Liquidity ratio</u></b>			
Current ratio (times)	1.04	0.73	0.52
Quick ratio (times)	0.63	0.40	0.29
Current cash flow ratio (times)	0.14	-	0.04
Accounts receivable turnover (times)	22.36	17.48	12.99
Average collection period (day)	16.10	20.60	27.71
Inventories receivable turnover (times)	5.39	3.76	3.97
Average selling period (day)	66.76	95.74	90.60
Accounts payable turnover (times)	6.72	5.88	5.39
Payment period (days)	53.59	61.24	66.74
Cash Cycle (day)	29.27	55.10	51.57
<b><u>Profitability ratio</u></b>			
Gross profit (%)	22.86	18.85	10.35
Operating profit (%)	20.11	17.77	5.01
Other profit (%)	2.63	4.94	2.57
Operating cash flow turnover (%)	40.74	-	12.23
Net Profit Margin (%)	8.91	4.65	-
Net profit (%)	0.65	0.33	-
Dividend per share	0.45	0.30	0.15
Return on equity (%)	23.02	10.86	23.46
<b><u>Efficiency ratio</u></b>			
Return on total asset (%)	6.38	2.81	5.19
Return on fixed asset (%)	16.46	10.96	3.02
Total asset turnover (time)	0.72	0.60	0.52
<b><u>Financial policy ratio</u></b>			
Debt to equity (time)	2.73	3.11	4.06
Interest coverage (time)	4.02	2.48	3.84
Cash basis (time)	0.20	-	0.07
Payout ratio (%)	69.23	45.45	0.24

**BURIRAM SUGAR PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

## **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 2019, 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 2019;
- 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 ended; 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 year. These matters were 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 these matters.

Key audit matter	How my audit addressed the key audit matter
<p><b>Allowance for doubtful accounts - Farmer receivables</b></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>As of 31 December 2019, the Group has account farmer receivables, net and non-current farmer receivables in the consolidated financial statements in the amount of Baht 210.62 million and Baht 31.12 million, respectively, which represented 2.56% of total assets. The allowance for doubtful accounts - farmer receivables was set up totalling Baht 89.15 million. 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.</p> <p>The allowance is assessed based on number of days outstanding of farmer receivables which have been 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 each year.</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 accounts - Farmer receivables by :</p> <ul style="list-style-type: none"> <li>• Inquiring management the appropriateness of identification and judgement of allowance required.</li> <li>• Testing the reliability of accounting receivables aging report used in assessing the allowance</li> <li>• 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 assess the adequacy of the allowance based on the assessment of overdue individual accounts receivables, and</li> <li>• Examining each collateral value with reliable external sources of information and comparing value with similar and comparative objects market value</li> </ul> <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>

Key audit matter	How my audit addressed the key audit matter
<p><b>Impairment assessment of investments in subsidiaries</b></p> <p>Refer to Note 4.2 'Impairment of investments in subsidiaries' and Note 14 'Investments in subsidiaries, net' in the separate financial statements.</p> <p>As of 31 December 2019, some of the Group's subsidiaries have indicators of the possible impairment due to inability to achieve the expected profits, which might affect to the recoverable amounts of the investments in subsidiaries. In addition, some subsidiaries have net loss continuously and capital deficits. Management considered these as impairment indicators of investments in subsidiaries.</p> <p>Management performed impairment testing on investments in subsidiaries in the separate financial statements and calculated the recoverable amount by comparing between the higher of the fair value less costs to sell and value-in-use. The assessment for the recoverable amount requires the management's and independent appraiser's significant judgement on the deriving fair value, future operating results of business, projected cash flows and the discount rate applied to the projected cash flows.</p> <p>I focused on the recoverable amount of investments in subsidiaries due to its significant value and because of the subjectivity of management's and appraiser's judgement on the reasonableness of the key assumptions used in deriving the recoverable amount.</p>	<p>I carried out the following audit procedures to assess the impairment test of investments in subsidiaries in the separate financial statements prepared by management.</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of management's identification of the indicators for impairment of investments in subsidiaries.</li> <li>• Held discussions with the management to understand the basis for the assumptions applied to the cash flow projections.</li> <li>• Challenged management's significant assumptions used in impairment testing, especially in respect to the forecasted revenue, expected changes to working capital, overhead costs and long-term growth rate to the business. My procedures included comparing those assumptions to the external sources and management's approved business plan.</li> <li>• Assessed the reasonableness of the business plan by comparing the plans of 2019 with actual results.</li> <li>• Assessed the discount rate by considering and comparing with the independence data obtained from available public information of companies in the same industry sector to see whether the discount rate used by the management was within the acceptable range.</li> <li>• Tested the sensitivity analysis of the key assumptions used in the discounted cash flows projection, such as forecasted revenue and discount rate, to assess the sensitivity impact and the impact from changes in these key assumptions.</li> <li>• Assessed the competency of the independent appraiser engaged by the Group.</li> <li>• Assessed the reasonableness of the source of information and significant factors that management and independent appraiser used to evaluate the fair value of underlying assets using market approach for selling consideration purpose.</li> <li>• Assessed the appropriateness of the impairment testing and recording for the impairment of investments in subsidiaries in the separate financial statements.</li> </ul> <p>As a result of the procedures performed, I did not find any irregularity of the management's assessment of the impairment and noted that the key assumptions used by management and the independent appraiser were reasonable based on the available evidence and the calculated fair value was acceptable.</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.

**Sa-nga Chokenitisawat**  
 Certified Public Accountant (Thailand) No. 11251  
 Bangkok  
 28 February 2020

**Buriram Sugar Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2019**

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	40,613,707	179,126,261	2,496,796	15,830,327
Trade and other receivables, net	8, 32	388,685,845	360,413,837	118,018,137	214,607,562
Farmer receivables, net	9, 32	210,621,598	598,552,754	-	-
Accrued income - Office of the Cane and Sugar Fund	10	325,519,666	301,507,431	-	-
Inventories, net	11	911,954,629	1,337,505,832	-	-
Current portion of long-term borrowings to subsidiaries	32 (c)	-	-	92,000,000	144,000,000
Current portion of long-term borrowings to farmer receivables	16, 32 (d)	127,426,477	134,926,615	-	-
Other current assets	12	65,306,091	58,483,589	6,497,961	4,472,347
<b>Total current assets</b>		<b>2,070,128,013</b>	<b>2,970,516,319</b>	<b>219,012,894</b>	<b>378,910,236</b>
<b>Non-current assets</b>					
Non-current farmer receivables		31,116,324	27,105,440	-	-
Non-current accrued income - Office of the Cane and Sugar Fund	10	158,759,020	148,080,796	-	-
Investment in an associate	13	1,111,340,992	1,208,109,474	1,099,855,592	1,194,706,819
Investments in subsidiaries, net	14	-	-	1,508,476,700	1,450,476,300
Other long-term investments, net	15	1,409,950	2,052,236	2,175	644,461
Long-term borrowings to subsidiaries, net	32 (c)	-	-	2,208,723,764	2,221,786,767
Long-term borrowings to farmer receivables, net	16, 32 (d)	193,261,017	272,940,066	-	-
Investment property	17	3,971,127	3,971,127	3,971,127	3,971,127
Property, plant and equipment, net	18	5,674,842,200	5,432,152,570	37,244,820	27,810,732
Intangible assets, net	19	31,063,464	31,092,103	17,805,707	16,530,690
Deferred tax assets, net	20	126,612,482	162,602,059	-	12,326,658
Other non-current assets		26,746,710	17,602,992	396,355	2,913,702
<b>Total non-current assets</b>		<b>7,359,123,286</b>	<b>7,305,708,863</b>	<b>4,876,476,240</b>	<b>4,931,167,256</b>
<b>Total assets</b>		<b>9,429,251,299</b>	<b>10,276,225,182</b>	<b>5,095,489,134</b>	<b>5,310,077,492</b>

Director \_\_\_\_\_

Date \_\_\_\_\_

The accompanying notes on pages are an integral part of these consolidated and separate financial statements.

**Buriram Sugar Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2019**

		Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Liabilities and equity</b>	<b>Notes</b>				
<b>Current liabilities</b>					
Bank overdrafts	22	-	343,161	-	-
Trade and other payables	21, 32	839,193,344	817,893,134	167,271,841	180,492,000
Short-term borrowings from financial institutions, a related party and others	22, 32 (e)	2,611,879,730	2,617,912,052	-	748,000
Current portion of long-term borrowings from financial institutions and other	22	295,988,187	384,135,916	-	-
Current portion of long-term borrowings from an associate	22, 32 (f)	211,241,564	202,512,995	-	-
Current portion of long-term borrowings from a subsidiary	22, 32 (g)	-	-	50,000,000	376,000,000
Current portion of hire-purchase liabilities	22	7,178,183	10,893,729	2,899,368	2,313,356
Current portion of employee benefit obligations	24	8,042,319	7,495,294	3,662,990	2,605,538
Income tax payable		4,665,850	6,462,099	-	-
Other current liabilities	23	9,831,435	14,415,779	4,960,462	3,282,078
<b>Total current liabilities</b>		<b>3,988,020,612</b>	<b>4,062,064,159</b>	<b>228,794,661</b>	<b>565,440,972</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions and other, net	22	488,474,763	487,792,626	-	-
Long-term borrowings from an associate, net	22, 32 (f)	3,024,413,138	3,177,323,563	-	-
Long-term borrowings from a subsidiary, net	22, 32 (g)	-	-	2,696,119,162	2,370,119,162
Hire-purchase liabilities, net	22	8,666,293	10,497,447	4,709,512	5,842,066
Employee benefit obligations, net	24	56,742,223	38,040,201	20,145,078	13,331,406
<b>Total non-current liabilities</b>		<b>3,578,296,417</b>	<b>3,713,653,837</b>	<b>2,720,973,752</b>	<b>2,389,292,634</b>
<b>Total liabilities</b>		<b>7,566,317,029</b>	<b>7,775,717,996</b>	<b>2,949,768,413</b>	<b>2,954,733,606</b>

The accompanying notes on pages are an integral part of these consolidated and separate financial statements.

**Buriram Sugar Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2019**

		Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Notes					
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share capital					
Authorised share capital					
	812,099,845 ordinary shares				
	at par value of Baht 1 each	25	812,099,845	812,099,845	812,099,845
Issued and paid-up share capital					
	812,099,845 ordinary shares				
	fully paid-up of Baht 1 each		812,099,845	812,099,845	812,099,845
	Premium on ordinary shares		954,665,813	954,665,813	954,665,813
Retained earnings					
Appropriated					
	- Legal reserve	27	56,601,140	56,601,140	56,601,140
	Unappropriated		38,246,817	322,353,923	531,916,635
	Other components of equity		-	60,453	60,453
<b>Equity attributable to owners of the parent</b>			1,861,613,615	2,499,127,328	2,145,720,721
Non-controlling interests			1,320,655	1,379,858	-
<b>Total equity</b>			1,862,934,270	2,500,507,186	2,145,720,721
<b>Total liabilities and equity</b>			9,429,251,299	10,276,225,182	5,095,489,134

The accompanying notes on pages 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 2019**

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Revenue from sales and services		4,985,157,676	5,555,969,176	-	-
Cost of sales and services		(4,469,211,704)	(4,508,873,193)	-	-
<b>Gross profit</b>		<b>515,945,972</b>	<b>1,047,095,983</b>	<b>-</b>	<b>-</b>
Other income	28	123,272,234	253,049,160	384,876,426	425,840,143
Gain (loss) on foreign exchange rate		8,208,280	35,793,513	-	(10,914)
Selling expenses		(304,175,681)	(321,610,076)	-	-
Administrative expenses		(501,313,536)	(388,305,625)	(278,542,964)	(140,930,720)
Finance costs		(384,000,393)	(385,994,757)	(180,263,658)	(180,384,517)
Share of profit from an associate	13	63,783,415	71,854,032	-	-
<b>Profit (loss) before income tax</b>		<b>(478,279,709)</b>	<b>311,882,230</b>	<b>(73,930,196)</b>	<b>104,513,992</b>
Income tax	30	(33,491,120)	(40,213,584)	(12,341,771)	(7,699,024)
<b>Profit (loss) for the year</b>		<b>(511,770,829)</b>	<b>271,668,646</b>	<b>(86,271,967)</b>	<b>96,814,968</b>
<b>Other comprehensive income (expense):</b>					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of post-employment benefit obligations	24	(4,539,661)	-	(1,475,843)	-
Income tax relating to remeasurements of post-employment benefit obligations		612,764	-	-	-
		(3,926,897)	-	(1,475,843)	-
Items that will be reclassified subsequently to profit or loss					
Change in value of available-for-sale investments		-	(84,679)	-	(84,679)
Transferred disposal of available-for-sale investments		(60,453)	-	(60,453)	-
Income tax relating to change in value of available-for-sale investments		-	16,936	-	16,936
		(60,453)	(67,743)	(60,453)	(67,743)
<b>Other comprehensive expense for the year, net of tax</b>		<b>(3,987,350)</b>	<b>(67,743)</b>	<b>(1,536,296)</b>	<b>(67,743)</b>
<b>Total comprehensive income (expense) for the year</b>		<b>(515,758,179)</b>	<b>271,600,903</b>	<b>(87,808,263)</b>	<b>96,747,225</b>
<b>Profit (loss) attributable to:</b>					
Owners of the parent		(511,711,461)	271,621,488	(86,271,967)	96,814,968
Non-controlling interests		(59,368)	47,158	-	-
		(511,770,829)	271,668,646	(86,271,967)	96,814,968
<b>Total comprehensive income (loss) attributable to:</b>					
Owners of the parent		(515,698,811)	271,553,745	(87,808,263)	96,747,225
Non-controlling interests		(59,368)	47,158	-	-
		(515,758,179)	271,600,903	(87,808,263)	96,747,225
<b>Earnings (loss) per share</b>					
Basic earnings (loss) per share	31	(0.63)	0.33	(0.11)	0.12

The accompanying notes on pages 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 2019**

Consolidated financial statements									
Notes	Issued and paid-up share capital Baht	Premium on ordinary shares Baht	Retained earnings		Other components of equity		Total owners of the parent Baht	Non-controlling interests Baht	Total Baht
			Appropriated- Legal reserve Baht	Unappropriated Baht	Change in fair value of available-for-sale investments Baht				
Opening balance as at 1 January 2018	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	
Changes in equity for the year 2018									
Dividends paid	26	-	-	-	(243,628,604)	-	(243,628,604)	(1,390)	(243,629,994)
Legal reserve	27	-	-	4,840,748	(4,840,748)	-	-	-	-
Increased in non-controlling interest		-	-	-	-	-	-	300	300
Total comprehensive income (expense) for the year		-	-	-	271,621,488	(67,743)	271,553,745	47,158	271,600,903
Closing balance as at 31 December 2018		812,099,845	954,665,813	56,601,140	675,700,077	60,453	2,499,127,328	1,379,858	2,500,507,186
Opening balance as at 1 January 2019		812,099,845	954,665,813	56,601,140	675,700,077	60,453	2,499,127,328	1,379,858	2,500,507,186
Changes in equity for the year 2019									
Dividends paid	26	-	-	-	(121,814,902)	-	(121,814,902)	(435)	(121,815,337)
Increased in non-controlling interest		-	-	-	-	-	-	600	600
Total comprehensive expense for the year		-	-	-	(515,638,358)	(60,453)	(515,698,811)	(59,368)	(515,758,179)
Closing balance as at 31 December 2019		812,099,845	954,665,813	56,601,140	38,246,817	-	1,861,613,615	1,320,655	1,862,934,270

The accompanying notes on pages 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 2019**

Separate financial statements						
Notes	Issued and Paid-up share capital Baht	Premium on ordinary shares Baht	Retained earnings		Other components of equity	Total Baht
			Appropriated - Legal reserve Baht	Unappropriated Baht	Change in fair value available-for-sale investments Baht	
<b>Opening balance as at 1 January 2018</b>	812,099,845	954,665,813	51,760,392	683,571,019	128,196	2,502,225,265
<b>Changes in equity for the year 2018</b>						
Dividends paid	26	-	-	(243,628,604)	-	(243,628,604)
Legal reserve	27	-	4,840,748	(4,840,748)	-	-
Total comprehensive income (expense) for the year		-	-	96,814,968	(67,743)	96,747,225
<b>Closing balance as at 31 December 2018</b>	<u>812,099,845</u>	<u>954,665,813</u>	<u>56,601,140</u>	<u>531,916,635</u>	<u>60,453</u>	<u>2,355,343,886</u>
<b>Opening balance as at 1 January 2019</b>	812,099,845	954,665,813	56,601,140	531,916,635	60,453	2,355,343,886
<b>Changes in equity for the year 2019</b>						
Dividends paid	26	-	-	(121,814,902)	-	(121,814,902)
Total comprehensive expense for the year		-	-	(87,747,810)	(60,453)	(87,808,263)
<b>Closing balance as at 31 December 2019</b>	<u>812,099,845</u>	<u>954,665,813</u>	<u>56,601,140</u>	<u>322,353,923</u>	<u>-</u>	<u>2,145,720,721</u>

The accompanying notes on pages 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 2019**

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit (loss) before income tax		(478,279,709)	311,882,230	(73,930,196)	104,513,992
Adjustments to reconcile profit (loss) before income tax to net cash provided by operations:					
- Depreciation and amortisation	29	344,217,169	289,555,157	6,368,649	3,191,159
- Interest income	28	(59,301,016)	(82,887,779)	(147,086,517)	(147,516,523)
- Dividends income	28	(204,680)	(204,680)	(126,720,354)	(203,790,892)
- Allowance for doubtful accounts (reversal)	8, 9	4,619,625	(5,947,375)	(2,276,250)	(8,014,525)
- (Reversal) allowance for declining in value of inventories	11	(7,621,386)	12,271,688	-	-
- Allowance for impairment of property, plant and equipment	18	98,419,224	-	-	-
- Allowance for impairment of investment in subsidiaries	14	-	-	14,999,000	-
- Allowance for decrease in value of long-term borrowings to subsidiaries	32 (c)	-	-	122,545,905	-
- (Gain) on disposals of available for sale investments		(149,829)	-	(149,829)	-
- Loss (Gain) on disposals of property, plant and equipment		1,570,410	(1,581,442)	-	(469,293)
- Loss on write-off of property, plant and equipment and intangible assets	18, 19	30,628,696	11,164,417	7,181	5
- Finance costs		384,000,393	385,994,757	180,263,658	180,384,517
- Share of (profit) from an associate	13	(63,783,415)	(71,854,032)	-	-
- Employee benefit expenses	24	18,629,754	5,132,990	6,814,031	1,649,550
Cash flows before changes in operating assets and liabilities		272,745,236	853,525,931	(19,164,722)	(70,052,010)
Change in operating assets and liabilities					
- Trade and other receivables		(27,756,074)	(103,545,050)	(44,842,149)	40,014,352
- Accrued income - Office of the Cane and Sugar Fund	10	(24,012,235)	(301,507,431)	-	-
- Farmer receivables		382,795,597	274,509,644	2,276,250	7,527,533
- Inventories		433,172,589	(289,005,282)	-	-
- Other current assets		(6,822,502)	(25,423,096)	(2,025,614)	4,838,936
- Non-current farmer receivables		(4,010,884)	(27,105,440)	-	-
- Non-current accrued income - Office of the Cane and Sugar Fund	10	(10,678,224)	(148,080,796)	-	-
- Other non-current assets		(9,143,718)	(9,234,930)	2,517,347	(2,413,892)
- Trade and other payables		18,842,448	92,212,246	(183,853)	533,624
- Other current liabilities		(4,584,344)	(10,115,011)	1,678,384	(3,147,468)
- Employee benefit paid	24	(3,920,368)	(1,604,537)	(418,750)	(108,570)
Cash generated from (used in) operating activities		1,016,627,521	304,626,248	(60,163,107)	(22,807,495)
- Income tax received		12,182,795	5,073,168	-	-
- Income tax paid		(10,400,100)	(54,173,790)	-	(4,309,459)
- Interest paid		(381,573,335)	(376,287,312)	(193,332,048)	(45,162,874)
Net cash generated from (used in) operating activities		636,836,881	(120,761,686)	(253,495,155)	(72,279,828)

The accompanying notes on pages 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 2019**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Interest received		59,301,016	82,887,779	170,099,721	94,347,515
Dividends received		65,905,350	91,076,782	245,138,724	315,879,941
Proceeds from capital reduction of an associate	13	94,851,227	-	94,851,227	-
Payments for acquisition of investment in a subsidiary	14	-	-	(72,999,400)	(4,999,700)
Proceeds from disposal of available-for-sale investments		716,549	-	716,549	-
Proceeds from long-term borrowings to subsidiaries	32 (c)	-	-	1,222,124,798	255,867,998
Payments on long-term borrowings to subsidiaries	32 (c)	-	-	(1,279,607,700)	(242,000,000)
Proceeds from long-term borrowings to farmers receivables	16	123,393,836	226,452,097	-	-
Payments on long-term borrowings to farmers receivables	16	(36,214,649)	(101,155,459)	-	-
Purchases of investment property	17	-	(3,971,127)	-	(3,971,127)
Proceeds from disposals of property, plant and equipment		309,539	2,700,935	-	1,588,785
Purchases of property, plant and equipment and intangible assets		(692,670,190)	(907,204,434)	(14,862,980)	(11,246,497)
Capitalised borrowing costs to property, plant and equipment		(18,983,633)	(11,707,336)	-	-
Net cash (used in) generated from investing activities		(403,390,955)	(620,920,763)	365,460,939	405,466,915
<b>Cash flows from financing activities</b>					
(Decreased) increased from short-term borrowings from financial institutions, a related party and others	22	(6,375,483)	1,481,950,335	(748,000)	(89,940,878)
Proceeds from long-term borrowings from financial institutions and other	22	299,625,000	-	-	-
Repayments on long-term borrowings from financial institutions and other	22	(387,090,592)	(383,724,249)	-	-
Repayments on long-term borrowings from an associate	22	(144,181,856)	(149,552,871)	-	-
Repayments on hire-purchase liabilities		(12,150,906)	(13,155,023)	(2,768,497)	(2,011,259)
Proceeds from issue of ordinary shares from non-controlling interests		-	300	-	-
Dividends paid		(121,784,643)	(243,778,493)	(121,782,818)	(243,597,822)
Net cash (used in) generated from financing activities		(371,958,480)	691,739,999	(125,299,315)	(335,549,959)
<b>Net decrease in cash and cash equivalents</b>		(138,512,554)	(49,942,450)	(13,333,531)	(2,362,872)
Opening balance		179,126,261	229,068,711	15,830,327	18,193,199
Closing balance		40,613,707	179,126,261	2,496,796	15,830,327
<b>Non-cash transactions</b>					
Purchases of property, plant and equipment under hire-purchase liabilities		6,604,206	9,240,211	2,221,955	3,204,602

The accompanying notes on pages are an integral part of these consolidated and separate financial statements.

## **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 No. 237 moo 2, Tambol Hin Lek Fai, Amphur Kumueug, Buriram 31190.

Branch: Located at No. 128/77-78, 7<sup>th</sup> floor, Phayathai Plaza Building, Tungphayathai, Ratchathewee, Bangkok 10400.

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

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

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

These consolidated and separate financial statements have been approved by the Board of Directors on 28 February 2020.

## **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 Financial Reporting Standards ("TFRS") and the financial reporting requirements issued 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 and separate financial statements are disclosed in Note no.4.

An English language version 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.

**2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group**

**2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019**

**a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers**

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, Construction contracts, TAS 18, Revenue and related interpretations.

The adoption of this standard affect the timing of revenue recognition of the Group for some revenue from sales of goods which changes from revenue recognition when it satisfies a performance obligation at a point in time to be over time. However, the impact is not significant to the Group.

**b) Thai Accounting Standard no.28 (revised 2018), Investments in associates and joint ventures**

The amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

The adoption of this standard does not have significant impact to the Group.

**c) Thai Accounting Standard no.40 (revised 2018), Investment property**

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in management's intention alone is not sufficient to support a transfer.

The adoption of this standard does not have significant impact to the Group.

**d) Thai Financial Reporting Interpretation no.22 (TFRIC 22), Foreign currency transactions and advance consideration**

TFRIC 22 clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

The adoption of this interpretation does not have significant impact to the Group.

### 2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 December 2019 reporting period and have not been early adopted by the Group.

#### a) Financial instruments

The new financial standards relate to financial instruments are:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

The Group's management is currently assessing the impact of initial adoption of these standards.

#### b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, *Leases* will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

The Group's management is currently assessing the impact of initial adoption of these standards.

#### c) Other new/amended standards

The new and amended financial reporting standards that will have significant impact on the Group are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TAS 28	Investments in associates and joint ventures
TFRS 9	Financial instruments
TFRIC 23	Uncertainty over income tax treatments

**Amendment to TAS 12, Income tax** - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

**Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement)** - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

**Amendment to TAS 23, Borrowing costs** - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

**Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures)** - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, *Financial instruments* before applying the loss allocation and impairment requirements in TAS 28, *Investments in associates and joint ventures*.

**Amendment to TFRS 9, Financial instruments (prepayment features with negative compensation)** - enabling entities to measure certain prepayable financial assets with negative compensation at amortised cost instead of fair value through profit or loss. These assets include some loan and debt securities. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.



**TFRIC 23, Uncertainty over income tax treatments** - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Group's management is currently assessing the impact of these new and amended standards.

## **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 the 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. 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.

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

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of the Group's principal subsidiaries and the effect from the acquisition and disposal of subsidiaries have been disclosed in Note no.14.

### **(2) Transaction with 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 reduction of the ownership interest in an associate is recognised 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, 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.

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 statements**

In the separate financial statements, investments in subsidiaries and 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 investments.

**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 statements of financial position, bank overdrafts are shown 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.

## **2.7 Inventories**

Inventories are stated at the lower of cost or net realisable value. Cost is 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 design costs, raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs.

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, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

### *Trading and available-for-sale investments*

Trading investments and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

### *Held-to-maturity investments*

Held-to-maturity investments are carried at amortised cost using the effective interest method less impairment.

### *General investments*

General investments are carried at cost less impairment.

### *Disposal of investments*

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

## **2.9 Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives.

## **2.10 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. Historical costs include directly attributable expenses in acquiring such asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets 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 years - 30 years
Building and building improvement	2 years - 40 years
Machinery and tools	2 years - 30 years
Tools and agriculture equipment	2 years - 10 years
Furniture, fixtures and office equipment	3 years - 20 years
Vehicles	5 years - 10 years

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

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.

## **2.11 Intangible assets**

### **2.11.1 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.

### **2.11.2 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.

## **2.12 Impairment of assets**

Assets that have an indefinite useful life (such as 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 trademark and licences that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

## **2.13 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.

## **2.14 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.

## **2.15 Borrowings**

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

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

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

### **2.15.1 Borrowings costs**

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.

### **2.16 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 substantively 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.

## **2.17 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.

## **2.18 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.

## **2.19 Revenue recognition**

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

### **Sales of goods**

The Group recognises revenue from sales of goods when it satisfies a performance obligation by delivering goods and transferring control of those goods to a customer. The performance obligation may be satisfied at a point in time or over time.



### **Revenue from services**

The Group recognises revenue from services rendered when services are provided to a customer. The Group satisfies a performance obligation over time. The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

### **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 income on an accrual basis.

## **2.20 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders, and when the interim dividends are approved by the Board of Directors.

## **2.21 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer that makes strategic decisions.

Segment information is presented in respect of the Group's business segments which is based on the Group's management and internal reporting structure (See more information in Note no.6).

## **2.22 Financial status**

As at 31 December 2019, the Group and the Company have current liabilities greater than current assets of Baht 1,917.89 million and Baht 9.78 million, respectively (2018: Baht 1,091.55 million and Baht 186.53 million, respectively). However, the Group has policies and procedures to manage its liquidity risk and other circumstances. Short-term borrowings from financial institutions are credit facilities for the Group's operation which can be rolled over under the conditions that the Group can maintain debt to equity ratio as required by the financial institutions. In addition, the Group has also extended the repayment term for current portion of borrowings from financial institutions to be long-term borrowings. Management is satisfied that the Group will meet their working capital and facilities that the Group's operation requires and will continue as a going concern for the foreseeable future. Thus, the Group can continue its operations for a period of next 12 months from the date of this report. Also, the Group is able to comply with the current and future financial obligations. Therefore, these financial statements are prepared on the going concern basis.

## **3 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. 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 is exposed to credit risk primarily with respect to trade and other receivables, farmer receivables and borrowings. The Group's management manages the risk by adopting appropriate credit control policies and procedures to ensure that sales of products and services to customers and borrowings to receivables are made with an appropriate credit history. The Group has policies to limit the amount of credit exposure to any one financial institution. The Group has no significant concentrations of credit risk.

### 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. 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 and income from exports less the expenses of the Cane and Sugar Industry. Currently, the ratio of exported sugar to domestically sold sugar is approximately 70:30.

The sugar price depends on the market force.

## 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 and will be recognised 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).

The following table presents the Group's financial instruments that are not measured at fair value and classified into the different fair value levels.

As at 31 December 2019	Consolidated financial statements			
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
<b>Financial assets not estimated at fair value</b>				
Foreign currency forward contracts	-	207,803,154	-	207,803,154
<b>As at 31 December 2018</b>				
As at 31 December 2018	Consolidated financial statements			
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
<b>Financial assets not estimated at fair value</b>				
Foreign currency forward contracts	-	63,290,709	-	63,290,709

### **Valuation techniques**

#### Valuation techniques used in measuring level 2 fair values.

Market comparison technique is used in measuring the fair values of foreign currency forward contracts. The fair value is based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

There were no transfers between levels during the year.

## **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 Impairment of investments in subsidiaries**

The Group tests impairment of investments in subsidiaries whenever events or changes in circumstances indicate that the carrying amount of asset is greater than its estimated recoverable amount which calculated by using the higher of the fair value less costs to sell and value-in-use. Value in use involves the future operating results of business, projected cash flows, discount rate to be applied to the projected cash flows and projected dividend payouts of subsidiaries. The Group has engaged an independent appraiser in deriving the fair value of underlying assets.

### **4.3 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 greater than its recoverable amount.

### **4.4 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 are disclosed in Note no. 24.

#### **4.5 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.

The Group purchased sugar cane for the production season 2018/2019 using the initial sugar cane price which was announced by the Cane and Sugar Board's on 6 December 2018 adjusted by sweetness of sugar cane purchased to recognise raw materials and payables for the production season 2018/2019. As at the audit report date, the Cane and Sugar Board has not announced the final price of sugar cane for the production season 2018/2019 yet.

The Group purchased sugar cane for the production season 2019/2020 using the initial sugar cane price which was announced by the Cane and Sugar Board's on 9 December 2019 adjusted by sweetness of sugar cane purchased to recognise raw materials and payables for the production season 2019/2020. As at the audit report date, the Cane and Sugar Board has not announced the final price of sugar cane for the production season 2019/2020 yet since the production season has not ended.

### **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
- Power plant for electricity and steam 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**

As at 31 December 2019, the Group's revenue from sales external customers approximately 57.93% (2018: 57.72%) is mostly the export 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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Operating segments of the Group are as follows:

**For the year ended 31 December 2019 and 2018**

	Unit: Million Baht													
	Sugar and Molasses business		Trading agriculture products		Electricity and steam generation and distribution		Others		Total		Eliminated entries		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from sales and services														
- Intersegment revenue	303	243	278	292	414	417	71	87	1,066	1,039	(1,066)	(1,039)	-	-
- Revenue from external customers	3,987	4,366	375	435	479	557	144	198	4,985	5,556	-	-	4,985	5,556
Total	4,290	4,609	653	727	893	974	215	285	6,051	6,595	(1,066)	(1,039)	4,985	5,556
Profit from operating segments	50	350	73	93	207	410	14	39	344	892	172	155	516	1,047
Other income													123	253
Administrative and selling expenses													(797)	(674)
Finance costs													(384)	(386)
Share of profit from an associate													64	72
Income tax													(34)	(40)
Profit (loss) for the year													(512)	272
<b>Timing of revenue recognition</b>														
At a point in time	4,265	4,609	581	641	893	974	215	285	5,954	6,509	(1,010)	(1,013)	4,944	5,496
Over time	25	-	72	86	-	-	-	-	97	86	(56)	(26)	41	60
Total revenue	4,290	4,609	653	727	893	974	215	285	6,051	6,595	(1,066)	(1,039)	4,985	5,556

**As of 31 December 2019 and 2018**

	Sugar and Molasses business		Trading agriculture products		Electricity and steam generation and distribution		Others		Total		Eliminated entries		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Inventories, net	800	1,220	93	113	7	7	18	1	918	1,341	(6)	(3)	912	1,338
Property, plant and equipment, net	3,491	3,431	93	105	1,513	1,608	594	303	5,691	5,447	(16)	(15)	5,675	5,432
Other assets, net	1,594	2,020	159	513	5,149	5,299	5,121	5,310	12,023	13,142	(9,181)	(9,636)	2,842	3,506
Total assets	5,885	6,671	345	731	6,669	6,914	5,733	5,614	18,632	19,930	(9,203)	(9,654)	9,429	10,276

## 7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash on hand	440,000	440,000	80,000	80,000
Deposits held at call with banks	40,173,707	178,686,261	2,416,796	15,750,327
	40,613,707	179,126,261	2,496,796	15,830,327

As at 31 December 2019 and 2018, the weighted average effective interest rate of deposits held at call with banks was 0.38% per annum.

## 8 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<u>Trade receivables - third parties, net</u>				
Within 3 months	32,285,144	86,261,596	-	-
3 months - 6 months	-	383,051	-	-
6 months - 12 months	-	285,477	-	-
Over 12 months	17,908,779	18,424,714	7,763,431	7,763,431
	50,193,923	105,354,838	7,763,431	7,763,431
<u>Less</u> Allowance for doubtful accounts	(17,908,788)	(18,424,722)	(7,763,431)	(7,763,431)
	32,285,135	86,930,116	-	-
<u>Trade receivables - related parties</u>				
Within 3 months	197,843,567	61,070,005	-	-
3 months - 6 months	14,901	16,142	-	-
Over 12 months	16,456	-	-	-
	197,874,924	61,086,147	-	-
<u>Other receivables</u>				
Accrued income - third parties	48,499,462	52,940,876	-	3,507
Accrued income - related parties	441,632	34,161,886	-	6,955,000
Other receivables - third parties	469,090	482,413	2,550	-
Other receivables - related parties	21,268	768,423	59,300,532	5,983,236
Advance payments	608,175	330,000	8,500	-
Prepaid expenses	108,486,159	123,713,976	1,438,415	2,966,105
Accrued interest income - related parties	-	-	57,268,140	80,281,344
Accrued dividends income - related parties	-	-	-	118,418,370
	158,525,786	212,397,574	118,018,137	214,607,562
Total trade and other receivables, net	388,685,845	360,413,837	118,018,137	214,607,562

**9 Farmer receivables, net**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Farmer receivables				
- Third parties	296,213,210	677,255,984	67,753,806	70,030,056
- Related parties	3,561,157	5,313,980	-	-
	299,774,367	682,569,964	67,753,806	70,030,056
<u>Less</u> Allowance for doubtful accounts	(89,152,769)	(84,017,210)	(67,753,806)	(70,030,056)
	210,621,598	598,552,754	-	-

Outstanding farmer receivables - third parties can be classified by season as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Season 2020/2021	42,305,410	-	-	-
Season 2019/2020	102,922,510	84,098,910	-	-
Season 2018/2019	30,300,470	466,105,500	-	-
Season 2017/2018	12,599,878	12,351,894	-	-
Season 2016/2017	12,797,978	12,898,951	-	-
Season 2015/2016	14,472,705	15,697,985	-	-
Season 2014/2015	9,967,145	11,817,381	-	-
Before season 2014/2015	70,847,114	74,285,363	67,753,806	70,030,056
	296,213,210	677,255,984	67,753,806	70,030,056
<u>Less</u> Allowance for doubtful accounts	(89,152,769)	(84,017,210)	(67,753,806)	(70,030,056)
	207,060,441	593,238,774	-	-

Outstanding farmer receivables - related parties can be classified by season as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Season 2020/2021	761,584	-	-	-
Season 2019/2020	2,658,012	3,164,043	-	-
Season 2018/2019	141,561	2,149,937	-	-
	3,561,157	5,313,980	-	-



## 10 Accrued income - Office of the Cane and Sugar Fund

Accrued income from Office of the Cane and Sugar Fund represents a compensation that the Group expects to be received from the Office of the Cane and Sugar Fund, which comprises of the difference of the final sugar cane which is less than the initial sugar cane price as announced by the Office of the Cane and Sugar Board and return on sugar production and distribution. Since in the production season 2017/2018 and 2018/2019, the management of the Group expects that the final sugar cane price will be lower than the initial sugar cane price, which in accordance with Section 56 of the Cane and Sugar Act B.E. 2527 stated that, in case that the final sugar cane price and the final return on production and distribution is lower than the initial sugar cane price and the initial return on production and distribution, the fund will pay the compensation equal to the difference to a factory. However, there is still uncertainty regarding the estimates of the final sugar cane price due to various future factors such as selling prices and exchange rates. As a result, the final sugar cane price that will be announced could differ from the estimated amount.

As at 31 December 2019 and 2018, the Group recorded an accrued income for the sugar cane price as a current assets in the consolidated financial statements with the difference of the final sugar cane price which is less than the initial sugar cane price and recorded a non-current accrued income for the compensation on sugar production and distribution as a non-current assets in the consolidated financial statements.

## 11 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Raw materials	32,153,027	36,762,018	-	-
Finished goods	763,719,241	1,216,829,562	-	-
Merchandise inventories	48,285,711	36,824,331	-	-
Work in process	27,744,526	14,111,742	-	-
Factory supplies	50,466,967	50,436,432	-	-
	922,369,472	1,354,964,085	-	-
<u>Less</u> Allowance declining in value of inventories				
Obsolescence and damaged inventories				
- Raw materials	(585,310)	(613,480)	-	-
- Work in progress	(7,345,433)	(2,814,693)	-	-
- Factory supplies	(1,125,414)	(1,125,414)	-	-
Net realisable value lower than cost				
- Finished goods	(1,358,686)	(13,482,642)	-	-
	(10,414,843)	(18,036,229)	-	-
Goods in transit	-	577,976	-	-
	911,954,629	1,337,505,832	-	-

The cost of inventories for the year ended 31 December 2019 recognised as expenses and included in cost of sales amounting to Baht 4,198.99 million (2018: Baht 4,338.83 million).

As at 31 December 2019, the Group records allowance for net realisable value lower than cost amounting to Baht 1.36 million (2018: Baht 13.48 million) according to the decrease in raw sugar price of New York Market No.11. The estimate of net realisable value is based on net amount that the Group expects to realise from the sale of inventories in the ordinary course of business deducting by costs of completion and expenses necessary to be incurred to sell the inventories. The Group recognised loss on write-down of inventories to net realisable value as an expense including in cost of sales.

## 12 Other current assets

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Revenue Department receivable	58,219,538	53,096,478	4,474,853	4,309,459
Undue input VAT	4,794,329	4,965,999	7,305	162,888
Withholding tax	2,292,224	421,112	2,015,803	-
	65,306,091	58,483,589	6,497,961	4,472,347

## 13 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
As at 31 December				
An associate	1,111,340,992	1,208,109,474	1,099,855,592	1,194,706,819

The amounts recognised in the statements of comprehensive income are as follows:

	Consolidated financial statements	
	2019 Baht	2018 Baht
For the year ended 31 December		
An associate	63,783,415	71,854,032

Detail of investment in an associate as at 31 December are as follows:

Name of entity	Place of Business/ Country of incorporation	Nature of Business	% of ownership interest (Direct)	Nature of the relationship	Measurement method
Buriram Sugar Group Power Plant Infrastructure Fund	Thailand	Invest in the power plant infrastructure business	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 position as at 31 December information:

	<b>Buriram Sugar Group Power Plant Infrastructure Fund</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>
<b>Current Assets</b>		
Cash and cash equivalents	5,096,718	7,519,466
Other current assets	106,939,931	245,124,078
Total current assets	112,036,649	252,643,544
<b>Non-current Assets</b>	3,250,000,000	3,402,000,000
<b>Current liabilities</b>		
Other current liabilities	3,011,228	2,816,914
Total current liabilities	3,011,228	2,816,914
<b>Net assets</b>	3,359,025,421	3,651,826,630

Summarised statement of comprehensive income for the years ended 31 December:

	<b>Buriram Sugar Group Power Plant Infrastructure Fund</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>
Interest income	244,178,669	264,175,036
Total revenue	244,178,669	264,175,036
Total expenses	(26,962,682)	(27,291,191)
Unrealised loss on investment valuation	(24,220,696)	(19,468,556)
<b>Total comprehensive income</b>	192,995,291	217,415,289

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 informations

Reconciliation of the summarised financial informations presented to the carrying amount of its interest in an associate

	<b>Buriram Sugar Group Power Plant Infrastructure Fund</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>
<b>Opening net assets</b>	3,651,826,630	3,709,371,341
Total comprehensive income	192,995,291	217,415,289
Dividends paid	(198,796,500)	(274,960,000)
Reduction of investment unit value	(287,000,000)	-
<b>Closing net assets</b>	3,359,025,421	3,651,826,630
Interest in an associate (33.05%)	1,111,340,992	1,208,109,474
<b>Carrying value</b>	1,111,340,992	1,208,109,474

The movements of investments in an associate for the years ended 31 December, are as follows:

	<b>Consolidated financial statements</b>		<b>Consolidated financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Opening net book balance	1,208,109,474	1,227,127,544	1,194,706,819	1,194,706,819
Dividends received from an associate	(65,700,670)	(90,872,102)	-	-
Share of profit from an associate	63,783,415	71,854,032	-	-
Reduction of investment unit value	(94,851,227)	-	(94,851,227)	-
Closing net book balance	1,111,340,992	1,208,109,474	1,099,855,592	1,194,706,819

#### **Buriram Sugar Group Power Plant Infrastructure Fund**

As at 31 December 2019, Buriram Sugar Public Company Limited subscribed for totalling 115,672,228 units in Buriram Sugar Group Power Plant Infrastructure Fund ("the Fund") totalling Baht 1,111.34 million (2018: Baht 1,208.11 million), by equity method, which is equivalent to 33.05% of the number of units in public issuance.

As at 31 December 2019, the fair value of the Group's interest in Buriram Sugar Group Power Plant Infrastructure Fund, a listed company in Stock Exchange of Thailand, is Baht 948.51 million (2018: Baht 1,145.16 million).

#### **14 Investments in subsidiaries, net**

The movements of investment in subsidiaries for the years ended 31 December are as follows:

	<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>
Beginning balance	1,450,476,300	1,445,476,600
Acquisitions	72,999,400	4,999,700
<u>Less</u> Allowance for impairment	(14,999,000)	-
Ending balance	1,508,476,700	1,450,476,300

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The details of investments in subsidiaries which are located in Thailand as presented in the Separate financial statements are as follows:

Name	Nature of business	Issued and paid-up share capital		% Ownership interest		Cost method		Impairment		Cost, net		Dividends income	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
		Million Baht	Million Baht	Percentage	Percentage	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Buriram Sugar Factory Co., Ltd.	Manufacturing and distribution of sugar and molasses	1,050	1,050	99.90	99.90	1,049	1,049	-	-	1,049	1,049	-	-
Chamni Sugar Factory Co., Ltd.	Manufacturing and distribution of sugar and molasses	5	5	99.99	99.99	5	5	(5)	-	-	5	-	-
Buriram Sugar Capital Co., Ltd.	Manufacturing and distribution of sugar and molasses	10	10	99.99	99.99	10	10	(10)	-	-	10	-	-
Buriram Sugarcane Research and Development Co., Ltd.	Trading agriculture products	71	71	99.99	99.99	70	70	-	-	70	70	-	-
Key brand Fertilizer Co., Ltd.	Manufacturing and distribution of fertilizer	15	15	99.99	99.99	15	15	-	-	15	15	-	18
Sugarcane Ecoware Co., Ltd.	Manufacturing and distribution of packaging from bagasses and natural materials	75	5	99.99	99.99	75	5	-	-	75	5	-	-
BRR Logistics Management Co., Ltd.	Providing logistics services	3	-	99.98	-	3	-	-	-	3	-	-	-
Buriram Power Plus Co., Ltd.	Power plant for electricity and steam generation and distribution	160	160	99.99	99.99	160	160	-	-	160	160	-	-
Buriram Energy Co., Ltd. and a subsidiary	Power plant for electricity and steam generation and distribution	136	136	99.99	99.99	136	136	-	-	136	136	61	95
- Buriram Power Co., Ltd.	Power plant for electricity and steam generation and distribution	170	170	99.99	99.99	-	-	-	-	-	-	-	-
Total investment in subsidiaries, net						1,523	1,450	(15)	-	1,508	1,450	61	113

### **Sugarcane Ecoware Co., Ltd.**

At the Company's Extraordinary Shareholders' Meeting of Sugarcane Ecoware Co., Ltd. held on 7 January 2019, the shareholders passed a resolution to approve an increase in the authorised share capital from 50,000 ordinary shares to 750,000 ordinary shares at a par value of Baht 100 per share, totalling Baht 75 million. The Company registered the increased share capital with the Ministry of Commerce on 17 January 2019.

### **BRR Logistics Management Co., Ltd.**

On 12 December 2019, BRR Logistics Management Co., Ltd. was registered with the Ministry of Commerce with authorised share capital totalling Baht 3,000,000 divided into 30,000 ordinary shares at par value of Baht 100 per share. The Company acquired ordinary shares of BRR Logistics Management Co., Ltd. for 99.98% of ownership interest totalling Baht 2,999,400.

### **Impairment assessment of investments in subsidiaries**

The Company's management has assessed the recoverable amount of investment in subsidiaries by determining discounted future cash flows. The key assumptions used to determine recoverable amount which was calculated by using value-in-use method, included forecasted revenue, expected changes to working capital, operating expenditures, long-term growth rate derived from expectations of future outcomes taking into account of the past experience, adjusted for anticipated revenue growth and discount rate referred to weighted average cost of capital (WACC). The recoverable amount was estimated to be higher than its carrying amount and no allowance for impairment of investments in subsidiaries was required to separate financial statements.

However, Chamni Sugar Factory Co., Ltd. and Buriram Sugar Capital Co., Ltd. are dormant entities, the Group's management has assessed the recoverable amount of investments in the subsidiaries by using fair value less costs to sell which involved an independent appraiser to determine the fair value of underlying assets using market approach and adjusted for differences in key attributes. The fair value is within level 2 of the fair value hierarchy. The recoverable amount is lower than the carrying amount; therefore, the allowance for impairment of investments in those subsidiaries were recognised.

## **15 Other long-term investments, net**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Marketable equity securities - available-for sales (Decreased) in fair value of investments	-	726,965	-	726,965
	-	(84,679)	-	(84,679)
	-	642,286	-	642,286
General investments - equity securities	1,409,950	1,409,950	2,175	2,175
<b>Other long-term investments, net</b>	<b>1,409,950</b>	<b>2,052,236</b>	<b>2,175</b>	<b>644,461</b>

The movements of other long-term investments for the year ended 31 December 2019 are as follows:

	<b>Consolidated financial statements</b>		
	<b>General investments Baht</b>	<b>Available-for-sale securities Baht</b>	<b>Total Baht</b>
Opening net book amount	1,409,950	642,286	2,052,236
Increased in fair value of investments	-	55,329	55,329
Disposal	-	(697,615)	(697,615)
Closing net book amount	1,409,950	-	1,409,950

	<b>Separate financial statements</b>		
	<b>General investments Baht</b>	<b>Available-for- sale securities Baht</b>	<b>Total Baht</b>
Opening net book amount	2,175	642,286	644,461
Increased in fair value of investments	-	55,329	55,329
Disposal	-	(697,615)	(697,615)
Closing net book amount	2,175	-	2,175

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. The fair value is within level 1 of the fair value hierarchy.

#### **16 Long-term borrowings to farmer receivables, net**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Current portion of long-term borrowings	127,426,477	134,926,615	-	-
Long-term borrowings, net	193,261,017	272,940,066	-	-
	320,687,494	407,866,681	-	-

The movements of long-term borrowings to farmer receivables are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Opening balance	407,866,681	533,163,319	-	-
Additions	36,214,649	101,155,459	-	-
Repayments received	(123,393,836)	(226,452,097)	-	-
Closing balance	320,687,494	407,866,681	-	-

As at 31 December 2019 and 2018, long-term borrowings to farmer receivables bear interest at the rate 7.02% per annum.

Long-term borrowings to farmer receivables including long-term borrowings to related parties as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Current portion of long-term borrowings	10,947,820	10,434,000	-	-
Long-term borrowings, net	1,500,000	12,447,820	-	-
	12,447,820	22,881,820	-	-



**17 Investment property**

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>As at 1 January</b>				
Cost	3,971,127	-	3,971,127	-
<u>Less</u> Allowance for impairment	-	-	-	-
Net book amount	3,971,127	-	3,971,127	-
<b>For the year ended 31 December</b>				
Opening net book amount	3,971,127	-	3,971,127	-
Additions	-	3,971,127	-	3,971,127
Net book amount	3,971,127	3,971,127	3,971,127	3,971,127
<b>As at 31 December</b>				
Cost	3,971,127	3,971,127	3,971,127	3,971,127
<u>Less</u> allowance for impairment	-	-	-	-
Net book amount	3,971,127	3,971,127	3,971,127	3,971,127

As at 31 December 2019, the fair value of investment property is at Baht 3.95 million (2018: Baht 4.78 million) which is close to cost of investment property presented in the statements of financial position.

The fair value of investment property is based on the comparative price method. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size and the locations of the investment property. The fair value is within level 2 of the fair value hierarchy.

**18 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	Total Baht
As at 1 January 2018								
Cost	310,021,982	1,115,814,228	3,913,241,230	89,453,964	89,921,191	127,481,920	115,094,067	5,761,028,582
Less Allowance for impairment	-	-	-	-	-	-	(682,804)	(682,804)
Accumulated depreciation	(10,816,808)	(150,641,482)	(638,359,014)	(43,419,557)	(43,926,696)	(62,481,916)	-	(949,645,473)
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
For the year ended 31 December 2018								
Opening 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
Additions	108,455,972	12,704,939	19,257,235	10,781,223	9,942,043	7,464,809	752,228,732	920,834,953
Transfer in (out)	8,548,606	28,518,895	274,716,852	1,092,092	605,538	-	(313,481,983)	-
Disposals, net	-	-	-	-	-	(1,119,493)	-	(1,119,493)
Write-off, net	-	(494,200)	(10,659,159)	(1)	(11,052)	(5)	-	(11,164,417)
Reclassification, net	883,877	(883,877)	-	(292,222)	-	-	-	(292,222)
Depreciation charges	(4,696,788)	(45,926,569)	(196,003,052)	(16,256,460)	(13,895,149)	(10,028,538)	-	(286,806,556)
Closing net book amount	412,396,841	959,091,934	3,362,194,092	41,359,039	42,635,875	61,316,777	553,158,012	5,432,152,570
As at 31 December 2018								
Cost	427,026,560	1,156,345,936	4,191,739,067	101,316,579	100,407,221	122,714,570	553,840,816	6,653,390,749
Less Allowance for impairment	-	-	-	-	-	-	(682,804)	(682,804)
Accumulated depreciation	(14,629,719)	(197,254,002)	(829,544,975)	(59,957,540)	(57,771,346)	(61,397,793)	-	(1,220,555,375)
Net book amount	412,396,841	959,091,934	3,362,194,092	41,359,039	42,635,875	61,316,777	553,158,012	5,432,152,570
For the year ended 31 December 2019								
Opening net book amount	412,396,841	959,091,934	3,362,194,092	41,359,039	42,635,875	61,316,777	553,158,012	5,432,152,570
Additions	51,471,331	14,148,643	55,762,298	8,343,404	14,449,743	8,637,458	560,915,973	713,728,850
Transfer in (out)	3,334,903	59,610,450	782,210,112	352,132	484,855	-	(845,992,452)	-
Disposals, net	-	-	(1,580,011)	(3,529)	(2,919)	(293,490)	-	(1,879,949)
Write-off, net	-	(593,333)	(29,441,676)	(247,834)	(333,083)	(9)	-	(30,615,935)
Reclassification, net	-	-	-	(452,000)	-	-	-	(452,000)
Allowance for impairment	(98,419,224)	-	-	-	-	-	-	(98,419,224)
Depreciation charges	(6,495,035)	(50,598,909)	(241,082,595)	(15,994,873)	(14,686,576)	(10,814,124)	-	(339,672,112)
Closing net book amount	362,288,816	981,658,785	3,928,062,220	33,356,339	42,547,895	58,846,612	268,081,533	5,674,842,200
As at 31 December 2019								
Cost	481,832,794	1,229,265,690	4,990,199,285	107,266,021	110,272,024	128,133,308	268,764,337	7,315,733,459
Less Allowance for impairment	(98,419,224)	-	-	-	-	-	(682,804)	(99,102,028)
Accumulated depreciation	(21,124,754)	(247,606,905)	(1,062,137,065)	(73,909,682)	(67,724,129)	(69,286,696)	-	(1,541,789,231)
Net book amount	362,288,816	981,658,785	3,928,062,220	33,356,339	42,547,895	58,846,612	268,081,533	5,674,842,200

As at 31 December 2019, hire-purchase liabilities included in assets at the net book value of Baht 53.97 million (2018: Baht 49.19 million).

As at 31 December 2019, the building and equipment are fully depreciated but still in use with costs value of Baht 66.16 million (2018: Baht 72.28 million).

As at 31 December 2019, property, plant and equipment at the net book value of Baht 1,971.13 million are pledged as collaterals for long-term borrowings from financial institutions (2018: Baht 1,715.67 million) (Note no. 22).

As at 31 December 2019, borrowing costs of Baht 19.75 million (2018: Baht 11.71 million) arising from financing were capitalised and are included in 'Additions' with capitalisation rate of 4.53% - 5.78% (2018: 5.15% - 5.78%).

During the year ended 31 December 2019, land and land improvement of subsidiaries in the consolidated financial statements have been impaired amounting to Baht 98.42 million. The Group's management engaged an independent appraiser for measuring the fair value of underlying assets by using market value method, which is a level 2 fair value measurement. Since the subsidiaries are dormant entities with no future business plan, the recoverable amount of the underlying assets are lower than the carrying amount.

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

	<b>Separate financial statements</b>				
	<b>Building and building improvement Baht</b>	<b>Furniture, fixtures and office equipment Baht</b>	<b>Vehicles Baht</b>	<b>Asset under construction Baht</b>	<b>Total Baht</b>
<b>As at 1 January 2018</b>					
Cost	14,807,604	7,105,788	32,909,804	40,734	54,863,930
<u>Less</u> 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
<b>For the year ended 31 December 2018</b>					
Opening net book amount	6,186,121	5,353,296	11,574,691	40,734	23,154,842
Additions	-	1,039,461	4,267,107	3,696,531	9,003,099
Transfer, in (out)	-	40,734	-	(40,734)	-
Disposals, net	-	-	(1,119,492)	-	(1,119,492)
Write-off, net	-	-	(5)	-	(5)
Reclassification, net	-	(292,222)	-	-	(292,222)
Depreciation charges	(267,371)	(1,173,185)	(1,494,934)	-	(2,935,490)
Closing net book amount	5,918,750	4,968,084	13,227,367	3,696,531	27,810,732
<b>As at 31 December 2018</b>					
Cost	14,807,604	8,185,983	28,494,753	3,696,531	55,184,871
<u>Less</u> Accumulated depreciation	(8,888,854)	(3,217,899)	(15,267,386)	-	(27,374,139)
Net book amount	5,918,750	4,968,084	13,227,367	3,696,531	27,810,732
<b>For the year ended 31 December 2019</b>					
Opening net book amount	5,918,750	4,968,084	13,227,367	3,696,531	27,810,732
Additions	9,419,700	819,948	2,960,455	600,874	13,800,977
Transfer, in (out)	3,933,405	364,000	-	(4,297,405)	-
Write-off, net	-	(7,166)	(4)	-	(7,170)
Depreciation charges	(1,032,705)	(1,387,257)	(1,939,757)	-	(4,359,719)
Closing net book amount	18,239,150	4,757,609	14,248,061	-	37,244,820
<b>As at 31 December 2019</b>					
Cost	28,160,708	9,329,331	30,411,768	-	67,901,807
<u>Less</u> Accumulated depreciation	(9,921,558)	(4,571,722)	(16,163,707)	-	(30,656,987)
Net book amount	18,239,150	4,757,609	14,248,061	-	37,244,820

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

As at 31 December 2019, hire-purchase liabilities included in assets at the net book value of Baht 13.81 million (2018: Baht 12.56 million).

As at 31 December 2019, property and equipment are fully depreciated but still in use with costs value of Baht 10.85 million (2018: Baht 11.90 million).

Depreciation charge for the years ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Depreciation charge for property, plant and equipment				
- Cost of sales	314,987,472	260,108,390	-	-
- Administrative expenses	24,684,640	26,698,166	4,359,719	2,935,490
	339,672,112	286,806,556	4,359,719	2,935,490

## 19 Intangible assets, net

	Consolidated financial statements				
	Computer software Baht	Patent Baht	Right to use assets Baht	Assets under installation Baht	Total Baht
<b>As at 1 January 2018</b>					
Cost	11,641,372	82,474	12,567,324	10,295,936	34,587,106
<u>Less</u> Accumulated amortisation	(6,621,444)	(15,240)	(1,718,968)	-	(8,355,652)
Net book amount	5,019,928	67,234	10,848,356	10,295,936	26,231,454
<b>For the year ended 31 December 2018</b>					
Opening net book amount	5,019,928	67,234	10,848,356	10,295,936	26,231,454
Additions	2,001,828	-	-	5,315,200	7,317,028
Reclassification, net	292,222	-	-	-	292,222
Amortisation charge	(2,112,424)	(8,241)	(627,936)	-	(2,748,601)
Closing net book amount	5,201,554	58,993	10,220,420	15,611,136	31,092,103
<b>As at 31 December 2018</b>					
Cost	13,643,199	82,474	12,567,324	15,611,136	41,904,133
<u>Less</u> Accumulated amortisation	(8,441,645)	(23,481)	(2,346,904)	-	(10,812,030)
Net book amount	5,201,554	58,993	10,220,420	15,611,136	31,092,103
<b>For the year ended 31 December 2019</b>					
Opening net book amount	5,201,554	58,993	10,220,420	15,611,136	31,092,103
Additions	1,265,972	99,607	-	3,163,600	4,529,179
Transfer, in (out)	18,774,736	-	-	(18,774,736)	-
Write-off, net	(12,761)	-	-	-	(12,761)
Amortisation charge	(3,896,033)	(21,088)	(627,936)	-	(4,545,057)
Closing net book amount	21,333,468	137,512	9,592,484	-	31,063,464
<b>As at 31 December 2019</b>					
Cost	32,942,467	187,474	12,567,324	-	45,697,265
<u>Less</u> Accumulated amortisation	(11,608,999)	(49,962)	(2,974,840)	-	(14,633,801)
Net book amount	21,333,468	137,512	9,592,484	-	31,063,464

	<b>Separate financial statements</b>		
	<b>Computer software Baht</b>	<b>Assets under installation Baht</b>	<b>Total Baht</b>
<b>As at 1 January 2018</b>			
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
<b>For the year ended 31 December 2018</b>			
Opening net book amount	750,201	10,295,936	11,046,137
Additions	132,800	5,315,200	5,448,000
Reclassification, net	292,222	-	292,222
Amortisation charge	(255,669)	-	(255,669)
Closing net book amount	919,554	15,611,136	16,530,690
<b>As at 31 December 2018</b>			
Cost	2,095,860	15,611,136	17,706,996
<u>Less</u> Accumulated amortisation	(1,176,306)	-	(1,176,306)
Net book amount	919,554	15,611,136	16,530,690
<b>For the year ended 31 December 2019</b>			
Opening net book amount	919,554	15,611,136	16,530,690
Additions	120,358	3,163,600	3,283,958
Transfer, in (out)	18,774,736	(18,774,736)	-
Write-off, net	(11)	-	(11)
Amortisation charge	(2,008,930)	-	(2,008,930)
Closing net book amount	17,805,707	-	17,805,707
<b>As at 31 December 2019</b>			
Cost	20,353,094	-	20,353,094
<u>Less</u> Accumulated amortisation	(2,547,387)	-	(2,547,387)
Net book amount	17,805,707	-	17,805,707

Amortisation charge for for the year ended 31 December are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Amortisation charge for intangible assets				
- Cost of sales	1,219,440	1,172,487	-	-
- Administrative expenses	3,325,617	1,576,114	2,008,930	255,669
	4,545,057	2,748,601	2,008,930	255,669

**20 Deferred income taxes, net**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
<b>Deferred tax assets</b>				
Deferred tax assets to be recovered more than 12 months	126,612,482	162,617,172	-	12,341,771
<b>Deferred tax liabilities</b>				
Deferred tax liabilities to be settled more than 12 months	-	(15,113)	-	(15,113)
Deferred income taxes, net	126,612,482	162,602,059	-	12,326,658

The gross movement in deferred income tax are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
At 1 January	162,602,059	194,433,310	12,326,658	20,008,746
(Credited) to profit or loss	(36,617,454)	(31,848,187)	(12,326,658)	(7,699,024)
Charged to other comprehensive income	627,877	16,936	-	16,936
At 31 December	126,612,482	162,602,059	-	12,326,658



The movements in deferred tax assets and liabilities during the year are as follows:

	Consolidated financial statements							Total Baht
	Depreciation Baht	Employee benefits obligations Baht	Allowance for doubtful accounts Baht	Allowance for declining in inventory value Baht	Deferred revenue Baht	Impairment of assets Baht	Intangible assets Baht	
<b>Deferred tax assets</b>								
At 1 January 2018	160,139,805	8,401,408	21,677,862	1,152,908	9,457	136,561	2,947,358	194,465,359
Charged (credited) to profit or loss	(25,946,520)	705,691	(7,593,790)	2,454,338	-	-	(1,467,906)	(31,848,187)
At 31 December 2018	134,193,285	9,107,099	14,084,072	3,607,246	9,457	136,561	1,479,452	162,617,172
At 1 January 2019	134,193,285	9,107,099	14,084,072	3,607,246	9,457	136,561	1,479,452	162,617,172
(Credited) to profit or loss	(24,724,304)	(1,098,594)	(7,775,208)	(1,524,277)	-	-	(1,495,071)	(36,617,454)
Charged to other comprehensive income	-	612,764	-	-	-	-	-	612,764
At 31 December 2019	109,468,981	8,621,269	6,308,864	2,082,969	9,457	136,561	(15,619)	126,612,482

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.

The Group did not recognise deferred income tax assets of Baht 129.38 million (2018 : Baht 17.14 million) in respect of losses amounting to Baht 646.90 million (2018 : Baht 85.70 million) that can be carried forward against future taxable income. Losses amounting to Baht 646.90 million will expire during 2021 to 2024 (2018 : Baht 85.70 million will expire during 2020 to 2023).

	<b>Consolidated financial statements</b>
	<b>Fair value revaluation of available-for-sale securities Baht</b>
<b>Deferred tax liabilities</b>	
As at 1 January 2018	32,049
(Credited) to other comprehensive income	(16,936)
As at 31 December 2018	15,113
As at 1 January 2019	15,113
(Credited) to profit or loss	(15,113)
As at 31 December 2019	-

	<b>Separate financial statements</b>		
	<b>Employee benefits obligations Baht</b>	<b>Allowance for doubtful accounts Baht</b>	<b>Total Baht</b>
<b>Deferred tax assets</b>			
As at 1 January 2018	2,879,193	17,161,602	20,040,795
Charged (credited) to profit or loss	308,196	(8,007,220)	(7,699,024)
As at 31 December 2018	3,187,389	9,154,382	12,341,771
As at 1 January 2019	3,187,389	9,154,382	12,341,771
(Credited) to profit or loss	(3,187,389)	(9,154,382)	(12,341,771)
As at 31 December 2019	-	-	-

	<b>Separate financial statements</b>
	<b>Fair value revaluation of available-for-sale securities Baht</b>
<b>Deferred tax liabilities</b>	
As at 1 January 2018	32,049
(Credited) to other comprehensive income	(16,936)
As at 31 December 2018	15,113
As at 1 January 2019	15,113
(Credited) to profit or loss	(15,113)
As at 31 December 2019	-

## 21 Trade and other payables

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Trade payables - third parties	83,512,953	135,490,905	1,549	1,575
Sugarcane payables	112,907,607	-	-	-
Other payables - third parties	258,362,069	381,231,236	933,970	3,937,475
Other payables - related parties	121,273	5,179,208	3,237,317	177,352
Advance received for goods and services - third parties	180,833,224	114,096,615	-	-
Accrued interest expenses - third parties	4,285,430	5,613,260	-	-
Accrued interest expenses - related parties	61,562,150	57,807,262	161,957,238	175,025,628
Accrued expenses - third parties	137,298,639	111,391,844	1,141,767	1,347,260
Accrued expenses - related parties	309,999	7,082,804	-	2,710
	<b>839,193,344</b>	<b>817,893,134</b>	<b>167,271,841</b>	<b>180,492,000</b>

## 22 Borrowings

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
<b>Current</b>				
Bank overdrafts	-	343,161	-	-
Short-term borrowings from financial institutions	2,265,768,300	2,457,300,000	-	-
Short-term borrowings from a related party (Note no. 32 (e))	-	37,367,370	-	-
Short-term borrowing from others	346,111,430	123,244,682	-	748,000
Current portion of long-term borrowings:				
- Financial institutions	293,499,649	381,700,455	-	-
- An associate (Note no. 32 (f))	211,241,564	202,512,995	-	-
- A Subsidiary (Note no. 32 (g))	-	-	50,000,000	376,000,000
- Other	2,488,538	2,435,461	-	-
- Hire-purchase liabilities	7,178,183	10,893,729	2,899,368	2,313,356
Total current borrowings	<b>3,126,287,664</b>	<b>3,215,797,853</b>	<b>52,899,368</b>	<b>379,061,356</b>
<b>Non-current</b>				
Long-term borrowings from financial institutions, net	485,930,938	482,760,264	-	-
Long-term borrowings from an associate, net (Note no. 32 (f))	3,024,413,138	3,177,323,563	-	-
Long-term borrowings from a subsidiary, net (Note no. 32 (g))	-	-	2,696,119,162	2,370,119,162
Long-term borrowings from other, net	2,543,825	5,032,362	-	-
Hire-purchase liabilities, net	8,666,293	10,497,447	4,709,512	5,842,066
Total non-current borrowings	<b>3,521,554,194</b>	<b>3,675,613,636</b>	<b>2,700,828,674</b>	<b>2,375,961,228</b>
<b>Total borrowings</b>	<b>6,647,841,858</b>	<b>6,891,411,489</b>	<b>2,753,728,042</b>	<b>2,755,022,584</b>

As at 31 December 2019 and 2018, all borrowings are in Thai Baht currency.

As at 31 December 2019, long-term borrowings from financial institutions were secured by pledge of property, plant and equipment at net book value of Baht 1,971.13 million (2018: Baht 1,715.67 million) (Note no. 18).

Under the long-term borrowing agreements, the Group has to comply with terms and conditions as specified in the agreements, for examples, to maintain shareholding structure ratio, to maintain debt to equity ratio, to maintain debt service coverage ratio, to be listed entity in the Stock Exchange of Thailand by the ultimate parent company, etc.

According to the long-term borrowing agreement between a subsidiary and a financial institution, the Company has to maintain interest-bearing debt to equity ratio not over 2.5:1 in order to comply with terms and conditions as specified in the agreement. However, long term borrowings from Buriram Sugar Group Power Plant Infrastructure Fund are excluded from the interest-bearing debt for ratio calculation.

#### **Short-term borrowings**

As at 31 December 2019, short-term borrowings from financial institutions represent promissory notes amounting to Baht 2,265.77 million in the consolidated financial statements. These promissory notes bear interest at the rates between 2.45% and 5.00% per annum (2018: Baht 2,457.30 million in the consolidated, bear interest at the rates between 2.52% and 4.53% per annum).

As at 31 December 2019, short-term borrowings from Office of the Cane and Sugar Fund at Baht 345.47 million (2018: Baht 121.25 million) the loan bear interest at the rate 0.10% and other with no interest is from a Government Sector and guaranteed by the Company's director at Baht 0.64 million (2018: Baht 1.99 million).

#### **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 borrowings from other**

As at 31 December 2019, long-term borrowings from other are long-term borrowings from Office of the Cane and Sugar Fund at Baht 5.03 million (2018: Baht 7.47 million). The loan bear interest at the rate 2% per annum (2018: 2% per annum) which the principal is repaid annually within 4 years.

The movements of long-term borrowings (excluded hire-purchase liabilities) for the years ended 31 December are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Opening balance	4,251,765,100	4,785,042,220	2,746,119,162	2,746,119,162
Additions	299,625,000	-	-	-
Repayments	(531,272,448)	(533,277,120)	-	-
Closing balance	4,020,117,652	4,251,765,100	2,746,119,162	2,746,119,162

The interest rates risks on the long-term borrowings (excluded hire-purchase liabilities) are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Long-term borrowings				
- At fixed rates	301,233,863	139,935,790	2,746,119,162	2,746,119,162
- At floating rates	3,718,883,789	4,111,829,310	-	-
Total	4,020,117,652	4,251,765,100	2,746,119,162	2,746,119,162

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 %</b>	<b>2018 %</b>	<b>2019 %</b>	<b>2018 %</b>
Short-term borrowings from financial institutions	3.44	3.02	-	-
Short-term borrowings from other	0.10	0.10	-	-
Short-term borrowings from a related party	-	2.57	-	-
Long-term borrowings from financial institutions	4.59	4.83	-	-
Long-term borrowings from an associate	7.52	7.76	-	-
Long-term borrowings from a subsidiary	-	-	6.55	6.55
Long-term borrowings from other	2.00	2.00	-	-

Maturity of long-term borrowings (excluded hire-purchase liabilities) are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Within 1 year	507,229,750	586,648,911	50,000,000	376,000,000
Later than 1 year but not later than 5 years	1,375,041,668	1,380,197,579	250,000,000	712,000,000
Later than 5 years	2,137,846,234	2,284,918,610	2,446,119,162	1,658,119,162
	4,020,117,652	4,251,765,100	2,746,119,162	2,746,119,162

#### **Credit facilities**

As at 31 December 2019, the Group had financial credit limit of long-term borrowings from local financial institutions totaling Baht 1,760.00 million (2018: Baht 1,860.20 million) with money market interest rate, which have not been drawn down amounting to Baht 979.97 million (2018: Baht 994.89 million).

#### **Hire-purchase liabilities, net**

The minimum lease payments of hire-purchase liabilities as at 31 December are as follows:

	<b>Consolidated financial statements</b>			<b>Separate financial statements</b>		
	<b>2018</b>			<b>2018</b>		
	<b>Within 1 year Baht</b>	<b>2 - 5 years Baht</b>	<b>Total Baht</b>	<b>Within 1 year Baht</b>	<b>2 - 5 years Baht</b>	<b>Total Baht</b>
Hire-purchase liabilities - minimum payments	11,633,402	11,008,662	22,642,064	2,673,861	6,212,881	8,886,742
<u>Less</u> Deferred interest on hire-purchase	(739,673)	(511,215)	(1,250,888)	(360,505)	(370,815)	(731,320)
	10,893,729	10,497,447	21,391,176	2,313,356	5,842,066	8,155,422

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

	Consolidated financial statements			Separate financial statements		
	2019			2019		
	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	7,729,036	9,032,492	16,761,528	3,159,231	4,882,192	8,041,423
<u>Less</u> Deferred interest on hire-purchase	(550,853)	(366,199)	(917,052)	(259,863)	(172,680)	(432,543)
	7,178,183	8,666,293	15,844,476	2,899,368	4,709,512	7,608,880

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 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. The fair value is within level 2 of the fair value hierarchy.

### 23 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
VAT payable	-	-	-	203,418
Undued output VAT	5,312,384	6,376,831	3,878,042	846,188
Withholding tax payables	3,365,581	5,889,805	1,082,420	2,157,049
Others	1,153,470	2,149,143	-	75,423
	9,831,435	14,415,779	4,960,462	3,282,078

### 24 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Statements of financial position</b>				
<b>Current portion</b>				
Current portion of employee benefit obligations	8,042,319	7,495,294	3,662,990	2,605,538
<b>Non-current portion</b>				
Employee benefit obligations, net	56,742,223	38,040,201	20,145,078	13,331,406
	64,784,542	45,535,495	23,808,068	15,936,944
<b>Statements of comprehensive income</b>				
Employee benefit expenses	18,629,754	5,132,990	6,814,031	1,649,550
<b>Statements of other comprehensive income</b>				
Actuarial loss	4,539,661	-	1,475,843	-

The movements in the defined benefit obligations over the period are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Beginning balance	45,535,495	42,007,042	15,936,944	14,395,964
Current service costs	3,271,094	3,724,460	1,145,412	1,170,115
Interest costs	1,290,009	1,408,530	451,440	479,435
Benefits paid during the year	(3,920,368)	(1,604,537)	(418,750)	(108,570)
Past service costs	14,068,651	-	5,217,179	-
Actuarial loss	4,539,661	-	1,475,843	-
Ending balance	64,784,542	45,535,495	23,808,068	15,936,944

The principal actuarial assumptions used were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 %</b>	<b>2018 %</b>	<b>2019 %</b>	<b>2018 %</b>
Discount rate	1.80%	3.08%	1.80%	3.08%
Future salary increases	4.51%	4.43%	4.51%	4.43%
Resignation rate by range of age	0% - 12%	0% - 12%	0% - 12%	0% - 12%

	<b>Consolidated financial statements</b>					
	<b>Impact on defined benefit obligation</b>					
	<b>Change in assumption</b>		<b>Increase in assumption</b>		<b>Decrease in assumption</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Discount rate	0.5%	0.5%	Decrease by 4.5%	Decrease by 4.4%	Increase by 4.9%	Increase by 4.7%
Salary growth rate	0.5%	0.5%	Increase by 4.7%	Increase by 4.6%	Decrease by 4.4%	Decrease by 4.3%
Turnover rate	0.5%	0.5%	Decrease by 4.8%	Decrease by 4.6%	Increase by 6.0%	Increase by 4.9%
	<b>Separate financial statements</b>					
	<b>Impact on defined benefit obligation</b>					
	<b>Change in assumption</b>		<b>Increase in assumption</b>		<b>Decrease in assumption</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Discount rate	0.5%	0.5%	Decrease by 4.1%	Decrease by 4.3%	Increase by 4.4%	Increase by 4.6%
Salary growth rate	0.5%	0.5%	Increase by 4.2%	Increase by 4.5%	Decrease by 4.0%	Decrease by 4.3%
Turnover rate	0.5%	0.5%	Decrease by 4.3%	Decrease by 4.5%	Increase by 4.6%	Increase by 4.8%

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 16 years. (2018: 17 years).

The Group use the cash flows from operating activities to pay the retirement benefits.



Expected maturity analysis of retirement benefits:

	<b>Consolidated financial statements</b>			
	<b>Less than a year Baht million</b>	<b>Between 1-5 years Baht million</b>	<b>More than 5 years Baht million</b>	<b>Total Baht million</b>
Retirement benefits - 2018	0.71	10.98	48.70	60.39
Retirement benefits - 2019	8.83	20.83	62.88	92.54
	<b>Separate financial statements</b>			
	<b>Less than a year Baht million</b>	<b>Between 1-5 years Baht million</b>	<b>More than 5 years Baht million</b>	<b>Total Baht million</b>
Retirement benefits - 2018	0.20	4.08	17.01	21.29
Retirement benefits - 2019	3.82	9.14	22.47	35.43

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law will become effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The effects of the amendment were recognised as past service cost during the year.

## 25 Share capital

	<b>Authorised share capital</b>	<b>Issued and paid-up</b>		
	<b>Number of ordinary shares</b>	<b>Number of ordinary shares</b>	<b>Ordinary share Baht</b>	<b>Premium on share capital Baht</b>
As at 31 December 2018	812,100,000	812,099,845	812,099,845	954,665,813
Decrease in authorised share capital	(155)	-	-	-
As at 31 December 2018	812,099,845	812,099,845	812,099,845	954,665,813
As at 31 December 2019	812,099,845	812,099,845	812,099,845	954,665,813
Decrease in authorised share capital	-	-	-	-
As at 31 December 2019	812,099,845	812,099,845	812,099,845	954,665,813

At the Annual General Meeting of Shareholders for 2018 held on 25 April 2018, shareholders passed a resolution to approve decrease in the authorised share capital from amount of Baht 812,100,000 to Baht 812,099,845 by decreasing the remaining 155 ordinary shares at par value of Baht 1 per share totalling Baht 155 from the allocation of the additional common stock to facilitate the stock dividends payment on 24 May 2017. The Company had registered its change in share capital with the Ministry of Commerce on 4 May 2018.

## 26 Dividends paid

At the Annual General Meeting of Shareholders for 2018 held on 25 April 2018, shareholders approved the dividends payment for the operation of 2017 at Baht 0.30 per share for 812,099,845 ordinary shares, totalling Baht 243,629,954. The dividends were paid to the shareholders on 24 May 2018.

At the Annual General Meeting of Shareholders for 2019 held on 25 April 2019, shareholders approved the dividends payment for the operation of 2018 at Baht 0.15 per share for 812,099,845 ordinary shares, totalling Baht 121,814,977. The dividends were paid to the shareholders on 24 May 2019.

## 27 Legal reserve

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
At 1 January	56,601,140	51,760,392	56,601,140	51,760,392
Appropriation during the year	-	4,840,748	-	4,840,748
At 31 December	56,601,140	56,601,140	56,601,140	56,601,140

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 not available for dividend distribution.

## 28 Other income

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Interest income	59,301,016	82,887,779	147,086,517	147,516,523
Other services income	-	-	110,450,000	73,200,000
Reversal of allowance for doubtful accounts	323,132	1,098,740	64,152	205,800
Dividends received	204,680	204,680	126,720,354	203,790,892
Gain on disposals of property, plant and equipment	-	1,581,442	-	469,293
Compensation income from customers for breach of sale contract	905,981	7,989,039	-	-
Compensation on sugar production and distribution	54,747,797	148,080,796	-	-
Others	7,789,628	11,206,684	555,403	657,635
	123,272,234	253,049,160	384,876,426	425,840,143

## 29 Expenses by nature

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Raw materials and supplies used	3,053,942,819	3,338,649,518	1,587,864	1,770,954
Depreciation and amortisation (Note no.18, 19)	344,217,169	289,555,157	6,368,649	3,191,159
Repair and maintenance expenses	299,015,583	248,596,246	541,763	472,647
Transportation expenses	223,401,017	258,330,976	-	-
Staff costs	424,277,428	452,790,916	110,483,941	108,170,247
Fees paid to the Office of the Cane and Sugar Fund	346,100,859	235,125,778	-	-

### 30 Income tax

Income tax expense for the year comprises the followings :

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Current tax:				
Current tax on profits for the year	9,101,442	15,793,112	-	-
<b>Total current tax</b>	<b>9,101,442</b>	<b>15,793,112</b>	<b>-</b>	<b>-</b>
Deferred tax:				
Origination and reversal of temporary differences	24,389,678	24,420,472	12,341,771	7,699,024
<b>Total deferred tax</b>	<b>24,389,678</b>	<b>24,420,472</b>	<b>12,341,771</b>	<b>7,699,024</b>
<b>Income tax</b>	<b>33,491,120</b>	<b>40,213,584</b>	<b>12,341,771</b>	<b>7,699,024</b>

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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Profit (loss) before income tax	(478,279,709)	311,882,230	73,930,196	104,513,992
Tax calculated at a tax rate of 20% (2018: 20%)	(95,655,942)	62,376,446	(14,786,039)	20,902,798
Tax effect of:				
Income not subject to tax	(26,100,333)	(49,048,325)	(24,805,071)	(13,851,619)
Expenses not deductible for tax purpose	25,867,890	9,744,755	34,678,488	647,845
Tax loss for which no deferred income tax Asset was recognised	129,379,505	17,140,708	17,254,393	-
<b>Total income tax</b>	<b>33,491,120</b>	<b>40,213,584</b>	<b>12,341,771</b>	<b>7,699,024</b>

### 31 Basic earnings (loss) per share

Basic earnings (loss) 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.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Share of profit (loss) for the year attributable to shareholders of the parent company (Baht)	(511,711,461)	271,621,488	(86,271,967)	96,814,968
Weighted average of issued ordinary shares during the year (Shares)	812,099,845	812,099,845	812,099,845	812,099,845
Basic earnings (loss) per share (Baht per share)	(0.63)	0.33	(0.11)	0.12

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

## 32 Related party transactions

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

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

As at 31 December 2019, the Company is controlled by Buriram Capital Co., Ltd., which owns 50% of the Company's issued shares (2018: 50%).

The following material transactions were carried out with related parties :

### a) Business transactions with related parties

During the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Transactions with : Associate</b>				
Dividends income	-	-	65,700,669	90,872,102
Interest expenses	247,346,286	266,938,451	-	-
<b>Transactions with : Subsidiaries</b>				
Dividends income	-	-	61,019,685	112,918,790
Interest income	-	-	146,477,920	146,630,172
Other income	-	-	110,450,000	73,200,000
Interest expenses	-	-	179,870,805	179,870,805
Administrative expenses	-	-	1,982,920	2,382,678
<b>Transactions with : Other related parties</b>				
Revenues from sales and services	3,089,544,673	3,211,259,220	-	-
Other income	742,676	8,566,052	-	-
Cost of sales and services	12,946,815	7,238,034	-	-
Selling expenses	7,790,610	60,365,811	-	-

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Trade accounts receivables :</b>				
Related parties	197,874,924	61,086,147	-	-
<b>Other receivables, accrued interest income and accrued income :</b>				
Subsidiaries	-	-	116,568,672	93,219,580
Related parties	462,900	34,930,309	-	-
	462,900	34,930,309	116,568,672	93,219,580
<b>Farmer receivables :</b>				
Related parties	3,561,157	5,313,980	-	-
<b>Accrued dividend income :</b>				
Subsidiaries	-	-	-	118,418,370
<b>Other payables, accrued interest expenses and accrued expenses :</b>				
Subsidiaries	-	-	165,168,221	175,196,818
Associate	61,562,150	57,807,262	-	-
Related parties	431,272	12,262,012	26,334	8,872
	61,993,422	70,069,274	165,194,555	175,205,690

**c) Long-term borrowings to subsidiaries**

The movements of long-term borrowings to subsidiaries are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Opening balance	-	-	2,365,786,767	2,379,654,765
Additions	-	-	1,279,607,700	242,000,000
Repayments received	-	-	(1,222,124,798)	(255,867,998)
			2,423,269,669	2,365,786,767
<u>Less</u> Allowance for decrease in value of borrowings	-	-	(122,545,905)	-
Closing balance	-	-	2,300,723,764	2,365,786,767

As at 31 December 2019, long-term borrowings to subsidiaries bear interest at the rate 5.78% - 6.55% per annum (2018: 6.55% per annum).

During the year ended 31 December 2019, the Group's management has assessed the recoverable amount of long-term borrowings to subsidiaries by using the fair value less costs to sell of the underlying assets of subsidiaries. The recoverable amount of the long-term borrowings to subsidiaries is less than the carrying amount; therefore, the Group recognised allowance for decrease in value of long-term borrowings to subsidiaries in the separate financial statements at amount of Baht 122.55 million.

**d) Long-term borrowings to farmer receivables**

The movements of long-term borrowings to farmer receivables are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Opening balance	22,881,820	22,393,196	-	-
Additions	-	12,434,000	-	-
Repayment received	(10,434,000)	(11,945,376)	-	-
Closing balance	12,447,820	22,881,820	-	-

As at 31 December 2019 and 2018, long-term borrowings to farmer receivables bear interest at the rate 7.02% per annum.

**e) Short-term borrowings from a related party**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Short-term borrowings from a related party	-	37,367,370	-	-

As at 31 December 2019, short-term borrowings from a related party bear interest at the rates between 2.52% - 2.55% per annum. (2018: 2.30% - 2.70% per annum)

**f) Long-term borrowings from an associate**

The movements of long-term borrowings from an associate are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Opening balance	3,379,836,558	3,529,389,429	-	-
Additions	-	-	-	-
Repayments	(144,181,856)	(149,552,871)	-	-
Closing balance	3,235,654,702	3,379,836,558	-	-

As at 31 December 2019, long-term borrowings from an associate bear interest at the rates between 7.10% - 7.70% per annum. (2018: 7.73% - 7.80% per annum).

**g) Long-term borrowings from a subsidiary**

The movements of long-term borrowings from a subsidiary are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Opening balance	-	-	2,746,119,162	2,746,119,162
Additions	-	-	-	-
Repayments	-	-	-	-
Closing balance	-	-	2,746,119,162	2,746,119,162

As at 31 December 2019 and 2018, long-term borrowings from a subsidiary bear interest at the rate 6.55% per annum.

**h) Directors' and management's remuneration**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Short-term benefits	44,240,041	48,185,057	21,050,805	22,969,046
Post-retirement benefits	1,395,244	1,032,020	667,084	476,980
	45,635,285	49,217,077	21,717,889	23,446,026

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

**i) Foreign currency forward contracts**

As at 31 December 2019, a subsidiary has entered into foreign currency forward contracts through The Thai Sugar Trading Corporation Limited which is a related party, contract value amounting to USD 6.94 million (2018: USD 1.96 million).

As at 31 December, the net fair values of foreign currency forward contracts were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
<b>Financial assets</b>				
<b>Contracts with negative fair values:</b>				
Foreign currency forward contracts	207,803,654	63,290,709	-	-

**33 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:

<b>Certificate</b>	<b>Privilege section</b>	<b>Date</b>	<b>Nature of privilege business</b>	<b>First derived income date</b>	<b>Expiry date</b>
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, from the expiry date.

**34 Commitments and contingent liabilities**

**(a) Capital commitments**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Property, plant and equipment	18,589,322	329,362,799	-	7,106,476
Intangible assets	-	2,905,533	-	2,905,533
	18,589,322	332,268,332	-	10,012,009



**(b) Operating commitments**

The non-cancellable services agreements with external parties. The future minimum payments are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Within 1 year	10,805,308	18,024,069	1,597,200	1,602,000
Later than 1 year but not later than 5 years	8,526,400	69,412,971	176,400	1,303,200
	19,331,708	87,437,040	1,773,600	2,905,200

**(c) Sale commitments**

As at 31 December 2019, a subsidiary had commitments relating to the sales agreements, but not yet delivered quality unit of metric tons 194,400 (2018: metric tons 90,213) with price range between at rate of Baht 8,554 and Baht 13,190 per metric ton (2018: price range between at rate of Baht 8,375 and Baht 17,628 per metric ton) and still has no pricing for quality unit of metric tons 160,750 (2018: metric tons 46,000) 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 in post-dated cheques**

As at 31 December, the Group had commitments in post-dated cheques which were issued to farmers for purchasing sugar cane as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Post-dated cheques				
- Within 1 year	519,607,045	33,980,149	-	-
- Later than 1 year but not later than 5 years	74,831,268	58,975,308	-	-
	594,438,313	92,955,457	-	-

**(e) 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, a 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.

**(f) Bank guarantees**

As at 31 December 2019 and 2018, the Group had outstanding letters of guarantee of Baht 6.20 million issued by local financial institutions as collaterals of Provincial Electricity Authority for electrical usage.

## 14. Management Discussion and Analysis

### 14.1 Overview of the Operating Result

According to the year of 2019, the changes of operating result were as follows;

The amount of sugarcane plantation area and the number of contract farming is similar to the previous 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.

The net profits of the business group in 2017 and 2018 were equivalent to 525.41 Million Baht, and 271.67 Million Baht respectively. In 2019, the net loss was equivalent to 511.77 Million Baht due to the volume of sugar and its price because the main revenue of the company from sugar sales approximately 72 - 83% of the total revenue from sugar sales is derived from the revenue from export sugar sales. BSG affected by the fluctuations of the global sugar price which has increased in early 2017 to 20 Cents/Pound but in 2018 the rapid decreased was 14-17 Cents/Pound. Although in 2018, the company will have a substantial increase in sugar sales but with the lower selling price cause of the revenue from the sale of sugar also decreased. However, the company has more revenue from the sale of electricity and fertilizer to compensate for reduced of revenue from sugar sales. Therefore, the total revenue was not decreased lower than from previous year. In 2019, the global sugar market price was continuously decreased. The company had export sugar sale volume was decreased compared with the previous year and affected by the appreciation of the Thai Baht. In addition, it is also affected with respect to the costs and expenses from the amended rule of the Cane and Sugar Fund which was determined to make contributions 20 baht per ton of sugarcane effective from January 2017 onwards. However, the company has acknowledged the completed financial statements of this current year, the first year of sugar refinery operation system and the allowance for land impairment loss and the investment in the subsidiary as a result of the deceleration of new sugar factory construction.

The total assets of year ended on December 31, 2017, 2018 and 2019 were equivalent 9,232.74 Million Baht, 10,276.23 Million Baht and 9,429.25 Million Baht respectively. The increase of total assets was mostly derived from the revenue from the office of cane and sugar fund which was recognized as the compensation the company will receive from the office of cane and sugar fund. Due to in the crop year 2017/2018, final sugarcane prices and final return on production and distribution of sugar will be lower than the initial stage. According to the Cane and Sugar Act, B.E. 2527, Section 56 stipulates that the Cane and Sugar Fund will pay compensation for sugarcane and compensation for the return on production and distribution of sugar to the company equal to the difference. Although in 2020, the company has the revenue recognition was decreased according to the decreased production of the 2018/2019 crop year and the company has changed in some parts of the loan policy for farmers, replacing the loan by the company with taking out the loan from the financial institution with a subsidiary as a guarantor. This allows sugarcane farmer account receivables considerably low.

The total liabilities of year ended on December 31, 2017, 2018 and 2019 were equivalent to 6,760.20 Million Baht, 7,775.72 Million Baht and 7,566.32 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 bagasse packaging factory therefore the company had loans for the investment in these factories.

The total shareholders' equity of year ended on December 31, 2017, 2018 and 2019 were equivalent to 2,472.54 Million Baht, 2,500.51 Million Baht and 1,862.93 Million Baht respectively. In 2019, the total shareholders' equity was decreased because the company has operated at loss.

According to the year of 2019, 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					
	2017		2018		2019	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
<b>1. Revenue from Goods Sold and Services Rendered</b>						
<b>1.1 Revenue from Sugar and Molasses Sales</b>						
<b>1.1.1 Sugar</b>						
Domestic Sales	1,144.94	19.42	658.77	11.27	1,016.73	19.87
Export Sales	3,121.66	52.95	3,207.49	54.88	2,567.76	50.18
<b>Total Revenue from Sugar Sales</b>	<b>4,266.60</b>	<b>72.37</b>	<b>3,866.26</b>	<b>66.15</b>	<b>3,584.49</b>	<b>70.06</b>
<b>1.1.2 Molasses</b>	<b>437.44</b>	<b>7.42</b>	<b>499.28</b>	<b>8.54</b>	<b>402.74</b>	<b>7.87</b>
<b>Total Revenue from Sugar and Molasses Sales</b>	<b>4,704.04</b>	<b>79.79</b>	<b>4,365.54</b>	<b>74.69</b>	<b>3,987.27</b>	<b>77.90</b>
<b>1.2 Revenue from Other Related Businesses</b>						
1.2.1 Revenue from Electricity Sales	492.14	8.35	556.57	9.52	478.58	9.35
1.2.2 Revenue from Fertilizer Sales	335.51	5.69	370.70	6.34	315.97	6.18
1.2.3 Revenue from Other Goods Sold and Services Rendered	208.75	3.54	263.16	4.50	203.37	3.97
<b>Total Revenue from Other Related Businesses</b>	<b>1,036.40</b>	<b>17.58</b>	<b>1,190.43</b>	<b>20.37</b>	<b>997.93</b>	<b>19.50</b>
<b>Total Revenue from Goods Sold and Services Rendered</b>	<b>5,740.44</b>	<b>97.37</b>	<b>5,555.97</b>	<b>95.06</b>	<b>4,985.15</b>	<b>97.43</b>
<b>2. Other Revenues</b>	<b>151.72</b>	<b>2.57</b>	<b>253.05</b>	<b>4.33</b>	<b>123.27</b>	<b>2.41</b>
<b>3. Profit/Loss from Exchange Rate</b>	<b>3.59</b>	<b>0.06</b>	<b>35.79</b>	<b>0.61</b>	<b>8.21</b>	<b>0.16</b>
<b>Net Total Revenues</b>	<b>5,895.76</b>	<b>100.00</b>	<b>5,844.81</b>	<b>100.00</b>	<b>5,116.63</b>	<b>100</b>

### The Revenue from Sugar Sales and Service

According to the fiscal year ended from 31 December 2017 to 31 December 2019, the company generated the revenue from sugar sales and service in amount of 5,740.44 Million Baht, 5,555.97 Million Baht and 4,985.15 Million Baht respectively. Additionally, the revenue from sugar sales and service in 2018 were decreased 184.47 Million Baht or equivalent to 3.21% due to fluctuations in the global sugar price which was decreased. Although in 2018, the company will

have a lot of sugar sales volume but with lower selling prices make the company's revenue from sale of sugar to drop too but the company has more income from selling electricity and fertilizer compensate for reduced of revenue from sugar sales. In 2019, the revenue from sugar sales was decreased 570.82 Million Baht or equivalent to 10.27% due to the decreased volume of export sugar in line with the quantity of sugarcane, the continuous decreased in global sugar market price and the impact of Thai Baht's appreciation.

### 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 75%-80% of total revenue.

The Average Price and Quantity of Sugar and Molasses Distributed by the Company

	Audited Financial Statement of Year Ended		
	2017	2018	2019
Average price per ton	Baht per Ton	Baht per Ton	Baht per Ton
<b>Sugar for Domestic Sales</b>			
Brown Sugar	19,143	17,146	15,336
Refined Sugar	-	-	14,439
Raw Sugar	-	-	8,646
<b>Sugar for Export</b>			
Brown Sugar	19,057	-	9,480
Refined Sugar			10,077
Raw Sugar	16,727	10,597	9,728
Molasses	4,464	3,750	2,962
Sale Quantity	Kilotons	Kilotons	Kilotons
<b>Sugar for Domestic Sales</b>			
Brown Sugar	59.81	38.42	36.76
Refined Sugar	-	-	13.57
Raw Sugar	-	-	30.00
<b>Sugar for Export</b>			
Brown Sugar	0.35	-	2.15
Refined Sugar	-	-	18.72
Raw Sugar	186.23	302.68	248.79
Molasses	98.00	133.12	135.95

#### 1.1.1 The Revenue from Sugar Sales

According to the year ended on 31 December 2018, the revenue from sugar sales was decreased from 2017 equal to 400.34 Million baht or equivalent to 9.38% due to fluctuations in the global sugar price which was decreased. Although in 2018, the company will have a substantial increase in sugar sales but with the lower selling price cause of the revenue from the sale of sugar also decreased. However, the company has more revenue from the sale of electricity and fertilizer to compensate for reduced of revenue from sugar sales Therefore, the total revenue was not decreased lower than from previous year. In 2019, the revenue from sugar sales was decreased 281.77 Million Baht or equivalent to 7.29% due to the

decreased volume of export sugar in line with the quantity of sugarcanes, the continuous decreased in global sugar market price and the impact of Thai Baht's appreciation.

#### **1.1.2 The Revenue from Molasses Sales**

According to the year ended on 31 December 2018, the company generated the revenue from molasses sales in amount of 499.28 Million Baht, compared to the year ended on 31 December 2017, which was raised by 61.84 Million Baht or equivalent to 14.14%. The increase of molasses sales revenue was derived from the increased sugar production even though the selling price per unit was decreased by 766 Baht per ton.

According to the year ended on 31 December 2019, the company generated the revenue from molasses sales in amount of 402.74 Million Baht, compared with the year ended on 31 December 2018, which dropped by 96.54 Million Baht or equivalent to 19.34% because the selling price per unit was decreased by 788 Baht per ton.

### **1.2 The Revenue from Other Related Business**

#### **1.2.1 The Revenue from Electricity Sales**

The revenue from electricity sales is in line with the increase and decrease of electricity sales. According to 2017 - 2019, the amount of electricity sold was 109 Million Kilowatts, 122 Million Kilowatts and 105 Million Kilowatts respectively. The average of electricity sale price per unit in each year has been little changed, which not affected to the increase or decrease of the revenue.

#### **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 2017, 2018 and 2019, the company generated the revenue from fertilizer sales in amount of 335.51 Million Baht, 370.70 Million Baht and 315.97 Million Baht respectively. From farmer promotion plan in order to increase the production of sugarcane according to the needs of the company. However, in 2019, the sale volumes of fertilizers were decreased due to drought affecting to sugarcane plantation.

#### **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, 2017, 2018 and 2019 were amount of 151.72 Million Baht, 253.05 Million Baht and 123.27 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.

For the year 2018 and 2019, the company has recognized revenue from the production and distribution of sugar in amount of 148 Million Baht and 55 Million Baht respectively. Which is the compensation that the company will receive from the Cane and Sugar Fund due to the crop year 2017/2018 and 2018/2019, the final sugarcane price and the final return

on production and distribution of sugar will be lower than the initial stage. According to the Cane and Sugar Act, B.E. 2527, Section 56 stipulates that the Cane and Sugar Fund will pay compensation for sugarcane and compensation for the return on production and distribution of sugar to the company equal to the difference.

## 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 2017		31 Dec 2018		31 Dec 2019	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Raw Material (Sugarcanes)	2,684.30	73.98	2,421.77	63.80	2,278.92	61.66
Packaging Cost	44.41	1.22	44.62	1.18	32.89	0.89
Direct Labor Cost	142.51	3.93	169.91	4.48	138.14	3.74
Manufacturing Overhead	409.96	11.30	932.96	24.58	916.82	24.80
Cash Remittance to Office of Cane and Sugar Fund	347.02	9.57	226.84	5.98	328.83	8.88
<b>Total sugar and molasses production cost</b>	<b>3,628.20</b>	<b>100.00</b>	<b>3,796.10</b>	<b>100</b>	<b>3,696.14</b>	<b>100.00</b>

According to the fiscal year of 2017, 2018 and 2019, the raw materials cost was equivalent to 73.98 %, 63.80 % and 61.66% respectively. In 2019, the raw materials cost was decreased due to the decreased of sugarcane price according to the global sugar price.

### 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					
	2017		2018		2019	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
<b>Cost of Electricity Sales</b>						
Raw material						
Direct Labor Cost	162.83	47.34	226.25	40.15	287.90	41.85
Manufacturing Overhead	27.30	7.94	36.83	6.54	30.88	4.49
<b>Total Cost of Electricity Sales</b>	<b>153.81</b>	<b>44.72</b>	<b>300.40</b>	<b>53.31</b>	<b>369.13</b>	<b>53.66</b>
<b>Cost of Fertilizer Sales</b>						
Raw material	224.07	85.82	257.09	85.48	200.70	85.23
Direct Labor Cost	10.92	4.18	10.41	3.46	7.67	3.26
Manufacturing Overhead	26.09	10.00	33.26	11.06	27.12	11.52
<b>Total Cost of Fertilizer Sales</b>	<b>261.08</b>	<b>100.00</b>	<b>300.76</b>	<b>100.00</b>	<b>235.49</b>	<b>100.00</b>
<b>Cost of Other Costs</b>						
Trading goods	186.32	95.54	390.92	98.84	397.52	98.88
Other Costs	8.68	4.46	4.57	1.16	4.50	1.12
<b>Total Others Costs</b>	<b>195.00</b>	<b>100.00</b>	<b>395.49</b>	<b>100.00</b>	<b>402.02</b>	<b>100.00</b>

### C. Gross Profit

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.

The gross profit in year ended of 2018 was equivalent to 1,047.10 Million Baht or 18.84% of gross profit margin which was decreased since the global sugar market price was decreased in 2018.

The gross profit in year ended of 2019 was equivalent to 515.95 Million Baht or 10.35% of gross profit margin which was decreased since the global sugar market price was decreased together with the company has launched the first year of sugar refinery operation system and has not yet reached its production capacity. It leads to high expenditure for depreciation.

### Gross Profit Margin Classified by the Revenue of Each Business

(Unit: Percentage)

	Audited Financial Statement of Year Ended		
	31 Dec 2017	31 Dec 2018	31 Dec 2019
Sugar and Molasses Manufacture and Distribution	22.87	7.59	1.17
Electricity Production and Distribution	30.11	42.09	23.18
Fertilizer Production and Distribution	22.18	12.79	11.18
Other Sales and Services	6.58	13.68	6.51



## 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.

## 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 2017		31 Dec 2018		31 Dec 2019	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Logistics Transportation	166.78	86.11	258.33	80.29	223.40	73.44
Cargo Storage	9.67	4.99	37.87	11.77	40.93	13.46
Other Expenses	17.22	8.89	25.53	7.94	39.84	13.10
<b>Total</b>	<b>193.67</b>	<b>100.00</b>	<b>321.73</b>	<b>100.00</b>	<b>304.18</b>	<b>100</b>

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 the year 2017, 2018 and 2019, The volume of export sugar was equivalent to 186.48 Thousand tons, 302.68 Thousand tons and 269.66 Thousand tons respectively.

**E. Administrative Expenses**

	Audited Financial Statement of Year Ended					
	31 Dec 2017		31 Dec 2018		31 Dec 2019	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Employee Compensation	184.22	44.82	181.62	46.95	178.97	35.70
Professional and Consultancy Fee	34.01	8.27	32.55	8.41	34.45	6.87
Transportation	22.79	5.54	18.62	4.81	2.10	0.42
Maintenance	5.21	1.27	7.52	1.95	7.71	1.54
Supplies Expense	8.55	2.08	8.79	2.27	7.25	1.45
Asset Depreciation	26.33	6.41	23.92	6.18	29.34	5.85
R&D	2.10	0.51	2.92	0.75	5.64	1.12
Charity Expense	6.74	16.40	8.29	2.14	7.54	1.50
Allowance for Doubtful Accounts	8.93	2.17	(4.57)	(1.18)	4.88	0.97
Allowance for Impairment Losses	17.38	4.23	11.17	2.89	98.42	19.63
Pension Fund	4.19	1.02	5.13	1.33	19.56	3.90
Amortization	2.17	0.53	3.30	0.85	3.20	0.64
Electricity	2.23	0.54	2.64	0.68	4.70	0.94
Others	86.19	20.97	84.94	21.96	97.57	19.46
<b>Total</b>	<b>411.05</b>	<b>100.00</b>	<b>386.85</b>	<b>100.00</b>	<b>501.31</b>	<b>100.00</b>

Administrative expenses mainly consisted of employee compensation and professional and consultancy fee.

According to year ended of 2018, the administrative expenses were decreased by 24.20 Million Baht or 5.89%. Due to, the debt repayment from account receivable that in the past had set up an allowance for doubtful accounts and when receive debt repayment accordingly must return the allowance for doubtful accounts previously recorded. Affected the allowance for

doubtful accounts recognized as expenses in this year to have negative balance. Thus, administrative expenses for the year 2018 were decreased.

In 2019, Administrative expenses have increased to 114.46 Million Baht due to allowance for land impairment loss and the investment in the subsidiary as a result of the deceleration of new sugar factory construction.

#### **Financial Cost**

According to the financial statement's year ended on 31 December 2017, 2018 and 2019, the financial cost was equivalent to 283.78 Million Baht, 385.99 Million Baht and 384.00 Million Baht respectively. The increase of financial cost was derived from that the company took on short-time loans increasingly in order to increase sugar production volume and also provide greater amount of advance credits to sugarcane farmers in accordance with the increase of planting areas.

#### **F. Earnings Before Taxes**

According to the financial statement's year ended on 31 December 2017 and 2018, the earnings before taxes were equivalent to 611.45 Million Baht and 311.88 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.

#### **G. Corporate Income Tax**

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.

According to the financial statements year ended on 31 December 2018, the corporate income tax of the company was equivalent to 40.21 Million Baht which was decreased from the previous year. Regarding to the decreasing profit of operating performance on sugar business, it had to pay decreasing tax.

In 2019, the corporate income tax of the company was equivalent to 33.49 Million Baht which was decreased from the previous year. Regarding the loss of the sugar business which is the main business of the company, it was not required to pay tax.

#### **H. Net Profit**

According to the financial statement's year ended on 31 December 2017 and 2018, the net profit was equivalent to 525.41 Million Baht and 217.67 Million Baht respectively. In 2019, the net loss was equivalent to 511.77 Million Baht. In 2017, the net profit was decreased because the global sugar market price was decreased which affected by the volume of sugar and its price. Because the main revenue of the company from sugar sales approximately 72 - 83% of the total revenue from sugar sales is derived from the revenue from export sugar sales. BSG affected by the fluctuations of the global sugar decreased price which has increased in early 2017 to 20 Cents/Pound but in 2018 the sugar price was decreased 14-17 Cents/Pound rapidly. Although in 2018, the company will have a substantial increase in sugar sales but with the lower selling price cause of the revenue from the sale of sugar also decreased. However, the company has more revenue from the

sale of electricity and fertilizer to compensate for reduced of revenue from sugar sales. Therefore, the total revenue was decreased from previous year. In 2019, the global sugar market price was continuously decreased. The company had export sugar sale volume was decreased compared with the previous year and affected by the appreciation of the Thai Baht as well. In addition, it also affected with respect to the costs and expenses from the amended rule of the Cane and Sugar Fund which was determined to make contributions 20 baht per ton of sugarcane effective from January 2017 onwards. The company has acknowledged the completed financial statements of this current year, the first year of sugar refinery operation system and the allowance for land impairment loss and the investment in the subsidiary as a result of the deceleration of new sugar factory construction.

### 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 2017, 2018 and 2019 were equivalent to, 9,232.74 Million Baht, 10,276.23 Million Baht and 9,429.25 Million Baht respectively.

The significant changes are accrued revenue which is the compensation that the company will receive from the Cane and Sugar Fund due to the crop year 2017/2018, the final sugarcane price and the final return on production and distribution of sugar will be lower than the initial stage. According to the Cane and Sugar Act, B.E. 2527, Section 56 stipulates that the Cane and Sugar Fund will pay compensation for sugarcane and compensation for the return on production and distribution of sugar to the company equal to such difference. Although in 2019, the company has the revenue recognition which was decreased according to the decreased production of the 2018/2019 crop year and the company has changed in some parts of the loan policy for farmers, replacing the loan by the company with taking out the loan from the financial institution with a subsidiary as a guarantor. This allows sugarcane farmer account receivables considerably low.

#### 1. Current Assets

The current assets of the company as of year ended on 31 December 2017, 2018 and 2019 were equivalent to 2,655.50 Million Baht, 2,970.52 Million Baht and 2,070.13 Million Baht respectively. The main elements of current assets are sugarcane farmer account receivables and inventory. In the year 2018, the company had accrued revenue from the office of cane and sugar fund in amount of 301.51 Million Baht, which is the compensation that the company will receive

from the Cane and Sugar Fund due to the crop year 2017/2018, the final sugarcane price and the final return on production and distribution of sugar will be lower than the initial stage. According to the Cane and Sugar Act, B.E. 2527, Section 56 stipulates that the Cane and Sugar Fund will pay compensation for sugarcane and compensation for the return on production and distribution of sugar to the company equal to such difference. Although in 2019, the company has the revenue recognition which was declined according to the decreased production of the 2018/2019 crop year and the company has changed in some parts of the loan policy for farmers, replacing the loan by the company with taking out the loan from the financial institution with a subsidiary as a guarantor. This allows sugarcane farmer account receivables considerably low.

#### 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 2017 to 2019 was 5-6 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.

#### 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 2017, 2018 and 2019, the sugarcane farmer receivables-net were equivalent to 868.43 Million Baht, 598.55 Million Baht and 210.62 Million Baht respectively. The sugarcane farmer receivables-net for year ended on 31 December 2017 were higher than the year 2018 and 2019 due to the factory delayed its starting of sugar production for 2017/2018 production 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. In 2019, the company has changed in some parts of the loan policy for farmers, replacing the loan by the company with taking out the loan from the financial institution with a subsidiary as a guarantor. This allows sugarcane farmer account receivables considerably low.

## Sugarcane Farmer Receivables of the Company Classified by the Aged Overdue Receivables

	Audited Financial Statement of Year Ended					
	31 Dec 2017		31 Dec 2018		31 Dec 2019	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Production Season of 2020/2021					43.06	14.36
Production Season of 2019/2020			87.26	12.78	105.58	35.22
Production Season of 2018/2019	132.17	13.81	468.26	68.60	30.44	10.16
Production Season of 2017/2018	650.33	67.95	12.35	1.81	12.60	4.20
Production Season of 2016/2017	54.46	5.69	12.90	1.89	12.80	4.27
Production Season of 2015/2016	21.06	2.20	15.70	2.30	14.47	4.83
Production Season of 2014/2015	16.87	1.76	11.82	1.73	9.97	3.33
Before Production Season of 2014/2015	82.19	8.59	74.28	10.88	70.85	23.63
<b>Total Sugarcane Farmer Receivables</b>	<b>957.08</b>	<b>100.00</b>	<b>682.57</b>	<b>100.00</b>	<b>299.77</b>	<b>100.00</b>
Allowance for Doubtful Accounts	(88.65)	(9.26)	(84.02)	(12.31)	(89.15)	(29.74)
<b>Net Total Sugarcane Farmer Receivables</b>	<b>868.43</b>	<b>90.74</b>	<b>598.55</b>	<b>87.69</b>	<b>210.62</b>	<b>70.26</b>

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.

Inventory

	Audited Financial Statement of Year Ended					
	31 Dec 2017		31 Dec 2018		31 Dec 2019	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Finished Goods	901.77	84.55	1,216.83	89.77	763.72	82.80
Trading Goods	84.05	7.88	36.82	2.72	48.29	5.23
Inventory - Warehouse	32.67	3.06	36.76	2.71	32.15	3.49
Goods in Progress	8.20	0.77	14.11	1.04	27.74	3.01
Factory Supplies	39.85	3.74	50.44	3.72	50.47	5.47
Products in transit	-	-	0.58	0.04	-	-
Total Inventory	1,066.54	100.00	1,355.54	100.00	922.37	100.00
Allowance for Diminution in Value	(5.76)	(0.54)	(18.04)	(1.33)	(10.41)	(1.13)
<b>Net Total Inventory</b>	<b>1,060.78</b>	<b>99.46</b>	<b>1,337.50</b>	<b>98.67</b>	<b>911.95</b>	<b>98.87</b>

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 2018, the finished goods of the company were equivalent to 1,216.83 Million Baht, raised by 315.06 Million Baht or 31.94% compared to 2017, which was derived from the amount of sugarcane crushing was higher than the year 2017, so the sugar yield was higher as well. Due to the declining of global sugar market price that is delay in the sale and delivery.

According to year ended of 2019, the finished goods of the company were equivalent to 763.72 Million Baht, dropped by 453.11 Million Baht or 37.24% compared to 2018, which was derived from the amount of sugarcane crushing was lower than the year 2018, so the sugar yield was lower as well.

## **2. Non-Current Assets**

Non-current assets of the company for year ended on 31 December 2017, 2018 and 2019 were equivalent to 6,577.24 Million Baht or 73.14%, 7,305.71 Million Baht or 74.35% and 7,359.12 or 77.11 respectively which were mainly lands, building and equipment.

### Land, Building and Equipment

According to the year ended on 31 December 2018 and 2019, land, building and equipment were increased due to the investment in land and machinery to prepare for the expansion of the refined sugar factory and packaginh from bagasse factory.

## **B. Source of Funding**

### **Capital Structure**

According to financial statement for year ended of 2017, 2018 and 2019, shareholders' equity was equivalent to 2,472.52 Million Baht, 2,500.51 Million Baht and 1,862.93 Million Baht respectively. The operating performance of the company generated the increase of debt to equity ratio by 3.11 times for year ended of 2018 and 4.06 times for year ended of 2019 due to the business group's increased liabilities from short-term loans preparation for increasing sugar production and the use of promote loans that increase in the growing area as well. Nevertheless, the financial institutions which are the creditors of the company will not include the long-term loan from the establishment of the Buriram Sugar Group Power Plant Infrastructure Fund as a part of liability with the interest required. Further research can be found in the section of other risk No. 3. Risk factors and 1.1 The Risk from High Debt to Equity Ratio (D/E Ratio) in the annual report and the annual registration statement 2019.

## **C. Liabilities**

The total liabilities for year ended on 31 December 2017, 2018 and 2019 were equivalent to 6,760.20 Million Baht, 7,775.72 Million Baht and 7,566.32 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 2017, 2018 and 2019 the trade account payables and other payables of the company were equivalent to 716.12 Million Baht, 817.89 Million Baht and 839.19 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 2017, 2018 and 2019 the short-term loans from financial institutions were equivalent to 1,136.30 Million Baht, 2,617.91 Million Baht and 2,611.88 Million Baht respectively. In 2019, 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.

#### D. Shareholders' equity

Shareholders' equity for the year ended on 31 December 2017, 2018 and 2019 were equivalent to 2,472.54 Million Baht, 2,500.51 Million Baht and 1,862.93 Million Baht respectively. The figures have decreased because the company has operated at loss.

#### E. Liquidity

(Unit : Million Baht)

Details	Audited Financial Statement of Year Ended		
	31 Dec 2017	31 Dec 2018	31 Dec 2019
Cash flow before changes in asset and operational liability	1,056.51	853.53	272.75
Net cash flow from (used in) operating activities	470.31	(120.76)	636.84
Net cash flow on investing activities	(1,647.95)	(620.92)	(403.39)
Net cash flow from (used in) financing activities	1,321.36	691.74	371.96
<b>Net increase (decrease) in cash flow</b>	<b>143.72</b>	<b>(49.94)</b>	<b>(138.51)</b>

#### Net Cash Flow from Operating Activities

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.

Cash flow before changes in asset and operational liability and net cash flow from operating activities for the year ended 31 December 2018 and 2019 were lower than the previous year due to an decrease in the company's profit from the sugar production and distribution according to the increasing output, and the dropped of global sugar price.

#### Net Cash Flow from Investing Activities

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.

In 2018 and 2019, the company invested approximately 900 Million Baht to invest in land and machinery to prepare for the expansion of the refined sugar factory and packaging from bagasse factory.

#### Net cash flow from financing activities

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.

For the year ended on 31 December 2018, the company had net cash flow from financing activities for 691.74 Million Baht due to the increased of short-term loans because there are more farmers participating in the promotion program. The company had to give more money to support sugarcane planting. Therefore, the company had loans for use in such activities included to used in the production of finished products.

#### **Liquidity Ratio**

	Unit	Audited Financial Statement of Year Ended		
		31 Dec 2017	31 Dec 2018	31 Dec 2019
Liquidity Ratio	(times)	1.04	0.73	0.52
Quick Liquidity Ratio	(times)	0.63	0.35	0.29
Average Collection Period	(day)	5	6	28
Average Selling Period	(day)	67	62	91
Collection Period	(day)	54	61.24	66.74
Cash Cycle	(day)	-18	55.10	51.57

For the year ended on 31 December 2017, the liquidity ratio had been improved due to the complete repayment for the debentures. In 2018, the liquidity ratio had been dropped due to the increased of short-term loans from financial institution. In 2019, the liquidity ration had been dropped even though current liabilities had been dropped. Due to the decreased of global sugar market pricing, the account receivables of the company are also lowering. This includes the changing method of the advance credit provision for farmers, affecting to lower sugarcane account receivables considerably.

#### **Profitability Ratio**

For the year ended on 31 December 2017, 2018 and 2019, gross profit margin and net profit of the company were decreased due to the increased cost per sugar unit from by drought and the dropped sugar price according to the sugar market price.

**Efficiency Ratio**

For the year ended on 31 December 2017, 2018 and 2019, the asset turnover of the company was equivalent to 0.62 times, 0.54 times and 0.52 times respectively. The fall of asset turnover was the result of the company's investment to expand the business continuously both increasing capacity on sugar production, construction of biomass power plants, expansion of refined sugar factory and packaging from bagasse factory. 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 2017 2018 and 2019, the debt to equity ratio was to 2.73 times, 3.11 times and 4.06 times respectively. Even though the debt to equity ratio will increase every year but affected by short-term debt which does not significant risks to the company.

**Contingent Liability and Commitment**

For year ended on 31 December 2019, 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 sugarcane used mainly for sugar production. For sugar industry in Thailand, whether the world sugar prices are either low or high, the price of sugarcane vary in line with them.

Cost of Sugarcane

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 sugarcane 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 sugarcane 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.

According to the changes in the sugarcane and sugar industry management system on January 15, 2018, according to the order of the National Council for Peace and Order No. 1/2018, regarding the amendment of the law to support the restructuring of the whole sugarcane and sugar industry. Further research can be found in section 2. Nature of business and 3. Risk factors in the annual report and the annual registration statement 2019.

Rate of Exchange

Export revenues of the company are recognized as the USD currency in which 64 - 73 percent is 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 -

### Certification of Information Accuracy

The company has thoroughly reviewed the information in this annual registration statement, and hereby certifies that the information contained herein is neither false nor misleading nor missing any material information. The company further certifies that;

(1) The financial statements and financial information in this registration statement have accurately disclosed the financial status, the performance, and the cash flow of the company and its subsidiaries.

(2) The company provides sound information disclosure systems to ensure that the company has accurately disclosed all the company's and its subsidiaries' material information, and that all the procedures of the said systems were followed properly.

(3) The company provides reliable internal control system and ensures that the company has comprehensively complied with the said system. Moreover, the company has reported the internal control assessment as of .....December 31, 2019.....to the auditor and the Audit Committee. The information presented includes errors and significant changes, if any, of the internal control system as well as any misconduct which might have an effect on the preparation of the company's and its subsidiaries' financial statements.

In order to ensure the authenticity and the wholeness of the said documents, the company authorizes .....Mr. Pitak Chaosoun.....to sign every single page of all same certified series. If any page is not initialed by .....Mr. Pitak Chaosoun....., the company will deem that such information is not certified.

	Name	Position	Signature
1.	Mr. Anant Tangtongwechakit	Director	----- Signature -----
2.	Miss Chittima Tangtrongwechakit	Director	----- Signature -----

	Name	Position	Signature
Authorized Person	Mr. Pitak Chaosoun	Deputy Managing Director	----- Signature -----

Name/ Position/ Nationality/ Age/Appointment Date	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience Past 5 Years - Present		
				Period	Position	Company
1. Mr. Prachuab Chaiyasan Chairman of the Board of Directors (Independent Director) and Chairman of the Audit Committee  Nationality: Thai Age: 75 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) - Boardroom Success through Financing and Investment Program (BFI) Class 4/2018, Thai Institute of Directors (IOD)	0.0499 % (405,000 shares)  (As of December 30, 2019/ No share held by a spouse and underage child)	-None-	<b>Position in the Company &amp; Subsidiaries: 1 Company</b>		
				2012 - Present	Chairman of Board of Directors (Independent Director)/ Chairman of Audit Committee	Buriram Sugar Public Company Limited
				<b>Position in Listed Companies: 2 Companies</b>		
				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
<b>2019 Meeting Attendance:</b> Annual General Meeting of Shareholder 1/1 Board of Directors' Meetings: 3/5 Audit Committee's Meeting 3/5  <b>Forbidden Qualifications:</b> 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.				<b>Position in Other Limited Companies/ Organizations: 3 Companies and 1 Organization</b>		
				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.
				<b>Position in Competition/ Related to Businesses of the Company: -None-</b>		

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 Independent Director, Audit Committee Member, Chairman of Nomination and Remuneration Committee and Chairman of Corporate Governance Committee  Nationality: Thai Age: 74 years old Appointment Date: 3 October, 2014	- 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 - Board Nomination & Compensation Program (BNCP) Class 3/2018, Thai Institute of Directors (IOD)	No Share	-None-	<b>Position in the Company &amp; Subsidiaries: 1 Company</b>		
				2014 - Present	Independent Director/ Audit Committee Member / Chairman of Corporate Governance Committee / Chairman of Nomination and Remuneration Committee	Buriram Sugar Public Company Limited
				<b>Position in Listed Companies: 1 Company</b>		
				2006 – Present	Independent Director/ Audit Committee Member/ Chairman of Nomination and Remuneration Committee	The Steel Public Company Limited
				<b>Position in Other Limited Companies/ Organizations: 1 Company</b>		
<b>2019 Meeting Attendance:</b> Annual General Meeting of Shareholder 1/1 Board of Directors' Meetings: 5/5 Audit Committee's Meeting 5/5 Nomination and Remuneration Committee's Meeting 2/2 Corporate Governance Committee's Meeting 2/2  <b>Forbidden Qualifications:</b> 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.				2012 – 2016	Director	Taiping Ethanol Co., Ltd.
				<b>Position in Competition/ Related to Businesses of the Company: -None-</b>		



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 Sombutsiri Independent Director and Audit Committee Member  Nationality: Thai Age: 66 years old Appointment Date: 10 January, 2013	- Bachelor of 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 30, 2019 No share held by a spouse and underage child)	-None-	<b>Position in the Company &amp; Subsidiaries: 1 Company</b>		
				2013 - Present	Independent Director/ Audit Committee Member	Buriram Sugar Public Company Limited
				<b>Position in Listed Companies: 4 Companies</b>		
				2009 – 2013	Vice President of Business Customer	Siam Commercial Bank Public Company Limited
				2009 – Present	Independent Director	OHTL Public Company Limited
				2014 – Present	Chairman of Executive Committee	Land and Houses Bank Public Company Limited
<b>2019 Meeting Attendance:</b> Annual General Meeting of Shareholder 1/1 Board of Directors' Meetings: 5/5 Audit Committee's Meeting 5/5  <b>Forbidden Qualifications:</b> 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.				2016 – Present	Director (Independent Director)	Prebuilt Public Company Limited
				<b>Position in Other Limited Companies/ Organizations: - None -</b>		
				<b>Position in Competition/ Related to Businesses of the Company: -None-</b>		

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. Assoc. Prof. Dr. Djitt Laowattana Independent Director and Corporate Governance Committee Member  Nationality: Thai Age: 58 years old Appointment Date: 25 April 2018	- Bachelor of Engineering (Honor), King Mongkut's University of Technology Thonburi - Precision Mechanics and Robotics, Kyoto University, Japan - Ph.D. in Mechanics Engineering, Carnegie Mellon University, USA - Certificate in Management of Technology and Innovation Massachusetts Institute of Technology (MIT), USA - "Regulatory Skills for Directors and Senior Management of Enterprises and Public Organizations", 3/2010, Public Director Institute - Leader Program 15/2013, Capital Market Academy - Courses organized by Thai Institute of Directors (IOD) ● Director Certification Program (DCP), 93/2007 ● Finance for Non-Finance Director (FN), 2008 ● Understanding the Fundamental of Finance Statement (UFS), 2008 ● Roles of Chairman Program, 19/2008 ● Audit Committee Program, 29/2009 ● Monitoring Fraud Risk Management, MFM 1/2009	No Share	-None-	<b>Position in the Company &amp; Subsidiaries: 1 Company</b>		
				2018 – Present	Independent Director/ Corporate Governance Committee Member	Buriram Sugar Public Company Limited
				<b>Position in Listed Companies: 2 Companies</b>		
				2014 – Present 2015 – Present 2014 – 2015  2012 – 2014	Independent Director Chairman of Audit Committee Chairman of Corporate Governance Committee  Technology consultant	Gunkul Engineering Public Company Limited  Siam Commercial Bank Public Company Limited

	<ul style="list-style-type: none"><li>● Monitoring Internal Audit Function, MIA 7/2009</li><li>● Monitoring the System of Internal and Risk Management, MIR 7/2009</li><li>● Monitoring Financial Reporting, MFR 9/2009</li><li>● Financial Institutions Governance Program, FGP 3/2011</li><li>● AC Hot Update</li></ul>					
<b>2019 Meeting Attendance:</b>  Annual General Meeting of Shareholder 1/1  Board of Directors’ Meetings: 5/5  Corporate Governance Committee’s Meeting 2/2  <b>Forbidden Qualifications:</b> 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.				<b>Position in Other Limited Companies/ Organizations: 2 Companies and 2 Organizations</b>		
				2010 – Present 2005 – Present	Director Confucius scholars the “Brainchild”	Thai Engineering Co., Ltd. Channel 3Thailand
				2004 – Present 2002 – Present	Consultant Chairman of the Technical Committee	Thai Robotics Society ABU RoboCon (Thailand)
				<b>Position in Competition/ Related to Businesses of the Company: -None-</b>		

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. Mr. Vichate Tantiwanich Independent Director, Audit Committee Member and Nomination and Remuneration Committee Member  Nationality: Thai Age: 58 years old Appointment Date: 25 April 2018	- Bachelor Degree in Economics, Chulalongkorn University - MBA, Finance & Marketing University of Hartford, Connecticut, U.S.A. - Capital Market Academy Course, Class 1 - Leadership for Change Course, Class 1 - Top Executive Program in Commerce and Trade (TEPCOT), Class 3 - Diploma, The National Defense Course of the National Defense College, Class 56 - DCP2 Fellow Member, Class 2, Thai Institute of Directors (IOD)	No Share	-None-	<b>Position in the Company &amp; Subsidiaries: 1 Company</b>		
				2018 – Present	Independent Director/ Audit Committee Member/ Nomination and Remuneration Committee Member/	Buriram Sugar Public Company Limited
				<b>Position in Listed Companies: 4 Companies and 2 Companies (Retried)</b>		
				2018 – Present	Chairman of the Board of Directors/ Independent Director/ Chairman of Audit Committee/ Chairman of Nomination and Remuneration Committee	Asia Aviation Public Company Limited
<b>2019 Meeting Attendance:</b> Annual General Meeting of Shareholder 1/1 Board of Directors' Meetings: 5/5 Nomination and Remuneration Committee's Meeting 2/2 Audit Committee's Meeting 0/0 (*Due to be appointed as Audit Committee Member on 18 December 2019 then he will attend the committee meeting first time in 2019.)  <b>Forbidden Qualifications:</b> 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	Independent Director / Chairman of Audit Committee	JWD Info Logistics Public Company Limited
				2017 – Present	Chairman of the Board of Directors/ Independent Director/ Chairman of Audit Committee	Thai Enger Company Limited
				2012 – Present	Independent Director/ Risk Management Committee Member	Phatra Leasing Public Company Limited
				2012 – 2018	Senior Vice President	Thai Beverage Public Company Limited
				2012 – 2015	Independent Director / Chairman of Audit Committee	M Pictures Entertainment Public Company Limited

			<b>Position in Other Limited Companies/ Organizations: 9 Companies and 15 Organizations</b>		
		2019 – Present	Director –Financial expert	National Cyber Security Committee of Ministry of Digital Economy and Society	
		2018 – Present	Chairman of Executive Board	CAC Company Limited (Casean)	
		2018 – Present	Chairman of the Board of Directors/ Independent Director/ Chairman of Audit Committee/ Chairman of Nomination and Remuneration Committee/ Chairman of Corporate Governance Committee	Thai Air Asia Company Limited	
		2018 – Present	Advisor to the Board of Director	The Federation of Thai Industries	
		2018 – Present	Director	The Chiangmai Juvenile and Family Court Foundation	
		2018 – Present	Independent Director/ Chairman of Executive Committee	The Signature Brand Company Limited	
		2017 – Present	Independent Director/ Audit Committee	Wind Energy Holding Company Limited	
		2017 – Present	Independent Director	KPN Academy Company Limited	
		2017 – Present	Advisor to the Board of Director	PMG Corporation Company Limited	
		2012 – Present	Advisor to Directors of Capital Market Academy	Stock Exchange of Thailand	
		2017 – 2019	Chairman of the Board of Directors/ Independent Director/ Chairman of Audit Committee	GMO-Z com Security (Thailand) Limited	
		2017 – 2018	Director	National Innovation Agency	

			2017 – 2018	Independent Director/ Chairman of Marketing and Public Relations Committee	Industrial Estate Authority of Thailand
			2005 – 2017	Director	International Chamber of Commerce-Thailand
			2008 – 2017	Advisor	Thai-Japanese Association
			2010 – 2017	Chairman of Executive Committee	Creative Entrepreneurship Development Institute, Bangkok University
			2010 – 2017	Advisor, Market for Alternative Investment (Mai)	Stock Exchange of Thailand
			2010 – 2017	Vice president	Capital Market Academy, SET
			2012 – 2017	Director	Thai Financial Planners Association
			2013 – 2017	Appellate Sub-committee	Securities and Exchange Commission of Thailand (SEC)
			2015 – 2017	Advisor	Minister of Commerce
			2015 – 2017	Independent Director	Export – Import Bank of Thailand
			2014 – 2015	Independent Director/ Audit Committee Member	Dhanarak Asset Development Company Limited
			2013 – 2015	IOD Advisory Committee on Research and Governance	Thai Institute of Directors
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. Mr. Anant Tangtongwechakit Director, Chairman of Executive Committee, Chairman of Risk Management Committee, and Managing Director (Authorized Director)  Nationality: Thai Age: 55 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) - Professional Strategic Management and Professional business management for executive by Dr. Tanai Charinsarn	4.0788% (33,124,320 shares)  (Owned by 33,099,000 shares and Mrs. Sureewan Tangtongwechakit, spouse by 25,320 shares)  (As of December 30, 2019/ including his spouse but no share held by underage child)	Elder brother of Mrs. Wanphen Punyaniran, Mrs. Jirawan Pongpichitkul, Miss Chittima Tangtrongwechakit, Mr. Sarit Tangtrongwechakit and Mr. Adisak Tangtrongwechakit	<b>Position in the Company &amp; Subsidiaries: 11 Companies</b>		
				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.
				2015 – Present	Chairman of Board of Directors	Chamni Sugar Factory Co., Ltd.
				2015 – Present	Chairman of Board of Directors	Buriram Sugar Capital Co., Ltd.
				2018 – Present	Director	Sugarcane Ecoware Co., Ltd
				2019 – Present	Chairman of Board of Directors	BRR Logistics Management Co., Ltd.
<b>2019 Meeting Attendance:</b> Annual General Meeting of Shareholder 1/1      Board of Directors' Meetings: 5/5 Risk Management Committee's Meeting 4/4      Executive Committee's Meeting 10/11						
<b>Forbidden Qualifications:</b> 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
				<b>Position in Listed Companies: 1 Company</b>		
				2017-2020 (31Jan)	Independent director/ Audit committee member	Thai Foods Group Public Company Limited
				<b>Position in Other Limited Companies/ Organizations: 8 Companies</b>		
				1975 – Present	Director	Thai Sugar Producers Association
				1995 – Present	Director	The Thai Sugar Trading Co., Ltd.
				1994 – Present	Director	Suriwan Enterprise Co., Ltd.
				2010 – Present	Director	Siphandone Bolaven Development Co., Ltd.
				2012 – Present	Chairman of Board of Directors	Buriram Capital Co., Ltd.
				2017 - Present	Director	Natural Dairy Co., Ltd.
				2018 - Present	Director	BR Molasses Trading Co., Ltd.
				2020 - Present	Director	Buriram Green Energy Co., Ltd.
				<b>Position in Competition/ Related to Businesses of the Company: - None -</b>		

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. Mrs. Wanphen Punyaniran Director (Authorized Director)  Nationality: Thai Age: 53 years old Appointment Date: 7 July, 2012	- Secondary School Grade 2, Marywitthaya 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) - Professional Strategic Management and Professional business management for executive by Dr. Tanai Charinsam	4.0560% (32,939,000 shares)  (As of December 30, 2019/ no share held by a spouse and underage child)	Younger sister of Mr. Anant Tangtongwechakit and elder sister of Mrs. Jirawan Pongpichitkul, Miss Chittima Tangtrongwechakit, Mr. Sarit Tangtrongwechakit and Mr. Adisak Tangtrongweachakit	<b>Position in the Company &amp; Subsidiaries: : 2 Companies</b>		
				2011 – Present	Director	Buriram Sugar Public Company Limited
				2012 - Present	Director/ Executive Director/ Managing Director	Key Brand Fertilizer Co., Ltd.
				<b>Position in Listed Companies: -None-</b>		
				<b>Position in Other Limited Companies/ Organizations: 3 Companies</b>		
<b>2019 Meeting Attendance:</b> Annual General Meeting of Shareholder 1/1 Board of Directors' Meetings: 5/5 Executive Committee's Meeting 11/11  <b>Forbidden Qualifications:</b> 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	Borthong Steel Co., Ltd.
				2007 – Present	Executive Director	Premasuk Hotel Ordinary Partnership
				2012– Present	Director	Buriram Capital Co., Ltd.
				<b>Position in Competition/ Related to Businesses of the Company: - None -</b>		

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. Mrs. Jirawan Pongpichitkul  Director, Executive Committee Member, Risk Management Committee Member and Senior Deputy Managing Director (Domestic Investment: Agricultural Business) (Authorized Director)  Nationality: Thai Age: 51 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)  - Professional Strategic Management and Professional business management for executive by Dr. Tanai Charinsam	4.0499%  (32,889,000 shares)  (As of December 30, 2019/ no share held by a spouse and underage child)	Younger sister of Mr. Anant Tangtongwechakit and Mrs. Wanphen Punyaniran and elder sister of Miss Chittima Tangtrongwechakit, Mr. Sarit Tangtrongwechakij and Mr. Adisak Tangtrongweachakit	Position in the Company & Subsidiaries: 9 Companies		
				2010 - Present	Director/ Executive Committee Member/ Risk Management Committee Member/ Senior Deputy Managing Director (Domestic Investment: Agricultural Business)	Buriram Sugar Public Company Limited
				2011 - Present	Director/ Executive Committee Member	Buriram Sugar Factory Co., Ltd.
				1996 - Present	Director/ Executive Committee Member/ Managing Director	Buriram Sugarcane Research and Development Co., Ltd.
				2005– Present	Director	Buriram Energy Co., Ltd.
				2011– Present	Director/ Executive Committee Member	Key Brand Fertilizer Co., Ltd.
				2011– Present	Director	Buriram Power Co., Ltd
				2015– Present	Director	Buriram Power Plus Co., Ltd.
				2015– Present	Director	Chamni Sugar Factory Co., Ltd.
				2015– Present	Director	Buriram Sugar Capital Co., Ltd.
Position in Listed Companies: -None-						
Position in Other Limited Companies/ Organizations: 1 Company						
2012–Present	Director	Buriram Capital Co., Ltd.				
Position in Competition/ Related to Businesses of the Company: - None -						
2019 Meeting Attendance:						
Annual General Meeting of Shareholder 1/1	Board of Directors’ Meetings: 5/5					
Risk Management Committee’s Meeting 4/4	Executive Committee’s Meeting 11/11					
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
9. 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: 49 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)  - Board Nomination& Compensation Program (BNCP) 3/2018, Thai Institute of Directors (IOD)  - Professional Strategic Management and Professional business management for executive by Dr. Tanai Charinsarn	4.0499%  (32,889,000 shares)  (As of December 31, 2019/ no share held by a spouse and underage child)	Younger sister of Mr. Anant Tangtongwechakit, Mrs. Wanphen Punyaniran and Mrs. Jirawan Pongpichitkul and elder sister of Mr. Sarit Tangtrongwechakij and Mr. Adisak Tangtrongweachakit	Position in the Company & Subsidiaries: 11 Companies		
				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.
				2018– Present	Director	Sugarcane Ecoware Co., Ltd.
				2019– Present	Director	BRR Logistics Management Co., Ltd.
				Position in Listed Companies: -None-		
				Position in Other Limited Companies/ Organizations: 2 Companies		
				2012–Present	Director	Buriram Capital Co., Ltd.
				2018–Present	Director	Ekachon Buriram Hospital
				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
10. Mr. Sarit Tangtrongwechakit  Director, Executive Committee Member, Risk Management Committee Member and Senior Deputy Managing Director (International Investment) (Authorized Director)  Nationality: Thai Age: 48 years old Appointment Date: 25 June, 2004	- 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) - 2Morrow Scaler #1 by C Asean - Professional Strategic Management and Professional business management for executive by Dr. Tanai Charinsarn - Xponential Academy - Adizes Institute Worldwide	4.0499% (32,889,000 shares) (As of December 30, 2019/ no share held by a spouse and underage child)	Younger brother of Mr. Anant Tangtongwechakit, Mrs. Wanphen Punyaniran, Mrs. Jirawan Pongpichitkul and Miss Chittima Tangtrongwechakit and elder brother of Mr. Adisak Tangtrongweachakit	<b>Position in the Company &amp; Subsidiaries: 9 Companies</b>		
				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.

<b>2019 Meeting Attendance:</b>  Annual General Meeting of Shareholder 1/1      Board of Directors' Meetings: 5/5  Risk Management Committee's Meeting 2/4  Executive Committee's Meeting 11/11  <b>Forbidden Qualifications:</b> 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.			<b>Position in Listed Companies: -None-</b>		
			<b>Position in Other Limited Companies/ Organizations: 5 Companies</b>		
			2020 -Present	Director/ Managing Director	Buriram Green Energy Co., Ltd.
			2010 -Present	Director/ Executive Committee Member	Siphandone Bolaven Development Co., Ltd.
			2010 -Present	Director/ Executive Committee Member	World International Network Co., Ltd
			2014 -Present	Director	Buriram Premium Bike Co., Ltd.
			2012-Present	Director	Buriram Capital Co., Ltd.
			<b>Position in Competition/ Related to Businesses of the Company: - None -</b>		

Name/ Position/ Nationality/ Age/Appointment Date	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience		
				Past 5 Years - Present		
				Period	Position	Company
11. Mr. Adisak Tangtrongweachakit Director, Executive Committee Member, Risk Management Committee Member, Nomination and Remuneration Committee Member, Corporate Governance Committee Member and Senior Deputy Managing Director (Domestic Investment: Energy Business) (Authorized Director)  Nationality: Thai Age: 46 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) - Board Nomination & Compensation Program (BNCP) 3/2018 Thai Institute of Directors (IOD) - Professional Strategic Management and Professional business management for executive by Dr. Tanai Charinsarn	4.0499%  (32,889,000 shares)  (As of December 30, 2019/ no share held by a spouse and underage child)	Younger brother of Mr. Anant Tangtongwechakit, Mrs. Wanphen Punyaniran, Mrs.Jirawan Pongpichitkul, Miss Chittima Tangtrongwechakit and Mr. Sarit Tangtrongwechakij	<b>Position in the Company &amp; Subsidiaries: 11 Companies</b>		
				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	Director/ Executive Committee Member	Buriram Sugar Factory Co., Ltd.
				2010 – Present	Director	Buriram Sugarcane Research and Development Co., Ltd.
				2005– Present	Director/ Executive Committee Member/ Managing Director	Buriram Energy Co., Ltd.
				2011– Present	Director	Key Brand Fertilizer Co., Ltd.
				2011– Present	Director/ Executive Committee Member/ Managing Director	Buriram Power Co., Ltd
				2015– Present	Director/ Executive Committee Member/ Managing Director	Buriram Power Plus Co., Ltd.
				2015– Present	Director	Chamni Sugar Factory Co., Ltd.
				2015– Present	Director	Buriram Sugar Capital Co., Ltd.
				2018 – Present	Director	Sugarcane Ecoware Co., Ltd.
				2019 - Present	Director	BRR Logistics Management Co., Ltd.



<b>2019 Meeting Attendance:</b> Annual General Meeting of Shareholder 1/1  Board of Directors’ Meetings: 5/5      Corporate Governance Committee’s Meeting 2/2  Risk Management Committee’s Meeting 4/4    Executive Committee’s Meeting 11/11  Nomination and Remuneration Committee’s Meeting 2/2  <b>Forbidden Qualifications:</b> 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.					
			<b>Position in Listed Companies:</b> -None-		
			<b>Position in Other Limited Companies/ Organizations: 2 Companies and 1 Organization</b>		
			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.
			<b>Position in Competition/ Related to Businesses of the Company:</b> - 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. Pattarapong Pongsawasdi  Deputy Managing Director (Foreign Affairs and Industry Policy, and Investor Relations)  Nationality: Thai  Age: 51 years old   						

Name/ Position/ Nationality/Age	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience		
				Past 5 Years - Present		
				Period	Position	Company
13. Mr. Pitak Chaosoun  Deputy Managing Director of Financial and Operations Group (CFO)  Nationality: Thai Age: 46 years old  CFO Appointed Date: November 21, 2018	- Bachelor of Business Administration (Accounting), Ramkhamhaeng University	0.0004%  (3,240 shares)	-None-	Position in the Company & Subsidiaries:		
	- Master of Business Administration (Business Administration) Ramkhamhaeng University	(As of December		2018 –Present	Deputy Managing Director (Finance & Operation) / CFO	Buriram Sugar Public Company Limited
	-How to Develop a Risk Management Plan(HRP), Thai Institute of Director	30, 2019/ no share		2017 – 2018	Deputy Managing Director (Finance & Operation)	Buriram Sugar Factory Co., Ltd.
	- Auditor with AI and Blockchain	held by a spouse		2017 – 2018	Deputy Managing Director	
	- Corporate Anti-corruption Protection , Class 17	and underage		2013 – 2017	Senior Assistant Managing Director (Finance & Operation)	
	- Statement of Cash Flows and Analysis, Class 2/2019	child)		2006 – 2012	Financial and Accounting Manager	
	- Annual Report (56-2) and Integrated Reporting Concept Class 1/2019			Position in Listed Companies: -None-		
	- PwC Thailand's 2019 Symposium : A close look at recent legal and tax developments – it’s time to act			Position in Other Limited Companies/ Organizations:		
	- PwC Thailand's 2019 Symposium: 'Connecting the dots: Managing corporate challenges in 2020 and beyond' - Financial Reporting Update			2015-Present	Vice Chairman of Federation of Industri	Federation of Buriram Industries
	- Financial Model 1-Fundamentals of Finance, Class 3/2019			2018-Present	Subcommittee on Minimum Wages	Buriram Provincial Labour Protection and Welfare Office
				Position in Competition/ Related to Businesses of the Company: - None -		
				Forbidden Qualifications: Never dishonestly committed an offence against property and never entered into any transaction which may cause conflict of interest against the Company during the previous year.		
				Training Hour of Related Accounting Course: 42 hours in 2019		

Name/ Position/ Nationality/Age	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience Past 5 Years - Present		
				Period	Position	Company
14. Mr. Somyot Changyongsuwan Assistant Managing Director in Accounting (Accounting Controller)  Nationality: Thai Age: 34 years old  Accounting Controller Appointed Date: November 21, 2018	- Bachelor Degree with Second Class Honours, Faculty of Liberal Arts and Management Sciences (Accountancy), Kasetsart University  - Fundamental of TFRS9 - Financial Statement Analysis - Cash Budgeting	No Share	-None-	<b>Position in the Company &amp; Subsidiaries:</b>		
				2018 –Present	Assistant Managing Director in Accounting (Accounting Controller)	Buriram Sugar Public Company Limited
				2017 – 2018	Senior Accounting and Finance Manager	
				2014 - 2016	Senior Costing Manager	
				<b>Position in Listed Companies:</b> -None-		
				<b>Position in Other Limited Companies/ Organizations:</b> -None-		
				<b>Position in Competition/ Related to Businesses of the Company:</b> - None -		
				<b>Forbidden Qualifications:</b> 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.		
				<b>Training Hour of Related Accounting Course:</b> 18 hours in 2019		

Name/ Position/ Nationality/Age/ Appointment Date	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience		
				Past 5 Years - Present		
				Period	Position	Company
15. Miss Patcharee  Kosanam  Director Office Manager and Company Secretary   Nationality: Thai  Age: 34 years old   Appointment Date: 12 November, 2015	-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  - Assist your BOD in Leading Through disruption with CG Perspective by Deloitte Touche Tohmatsu Jaiyos Co.,Ltd  - Workshop for Professional Development, Thai Listed Companies Association  - Inaugural Corporate Governance Conference 2018, Stock Exchange of Thailand and The Office of the Securities and Exchange Commission  - Assist your BOD in Leading Through disruption with CG Perspective, Deloitte Touche Tohmatsu Jaiyos Co.,Ltd.	No Share	-None-	Position in the Company & Subsidiaries:		
				2015 - Present	Director Office Manager and Company Secretary	Buriram Sugar Public Company Limited
				2006 – 2014	Assistant to Company Secretary	
				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 -		
				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.		

**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**

	Company	Subsidiaries									
Name	BRR	BSF	BRD	BEC	BPC	KBF	BPP	CSF	BSC	SEW	BRLM
Mr. Prachuab Chaiyasan	X	-	-	-	-	-	-	-	-	-	-
Mrs. Seenual Tasanapant	/	-	-	-	-	-	-	-	-	-	-
Mr. Sirichai Sombutsiri	/	-	-	-	-	-	-	-	-	-	-
Assoc. Prof. Dr. Djitt Laowattana	/	-	-	-	-	-	-	-	-	-	-
Mr. Vichate Tantiwanich	/	-	-	-	-	-	-	-	-	-	-
Mr. Anant Tangtongwechakit	/ // /// ////	X // /// ////	X //	X //	X //	X //	X //	X	X	X	X
Mrs. Wanphen Punyaniran	/	-	-	-	-	/ // ///	-	-	-	-	-
Mrs. Jirawan Pongpichitkul	/ // ////	/ //	/ // ///	/	/	/ //	/	/	/	-	-
Miss Chittima Tangtrongwechakit	/ // ////	/ // ////	/	/	/	/	/	/	/	/	/
Mr. Sarit Tangtrongwechakij	/ // ////	/ // ////	/ //	/ //	/ //	/	/ //	/	/	-	-
Mr. Adisak Tangtrongweachakit	/ // ////	/ //	/	/ // ///	/ // ///	/	/ // ///	/	/	/	/
Mr. Pattarapong Pongsawasdi	////	////	-	-	-	-	-	-	-	-	-
Mr. Pitak Chaosoun	////	-	-	-	-	-	-	-	-	-	-

**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 Co., Ltd. (BSF).**

**Board of Directors of BSF :** As of 31 December 2019, Board of Directors consisted of 5 directors as follows:

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

### Executive Committee of BSF

As of 31 December 2019, Executive Committee consisted of 5 members as follows:

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

### Executives of BSF

As of 31 December 2019, 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. Yanyong Kittithatphongphon	Deputy Managing Director in Production
5. Mr. Pattarapong Pongsawasdi	Deputy Managing Director in Foreign Sale Dept.
6. Mr. Adul Suravudhikul	Deputy Managing Director in Financial Management (Credit)
7. Mr. Nopanant 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 1-3 and 5 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 4, 6 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
No.4  Mr.Yanyong Kittitachpongporn Deputy Managing Director in Production  Nationality: Thai Age: 68 years old	- Bachelor of Science Program in Chemistry, Chiang Mai University  - How to Develop a Risk Management Plan (HRP), Thai Institute of Directors (IOD)	0.0098%  (80,040 Shares)  (Owned by 62,040 shares and Mrs. Kanitha Kittitachpongporn, spouse owning 18,000 shares)  (As of December 30, 2019/ Including spouse’s but no share held by an underage child)	-None-	Position in the Company & Subsidiaries:		
				2011 – Present	Deputy Managing Director in Production	Buriram Sugar Factory Company Limited
				2009 – 2010	Assistant Managing Director in Production	
				Position in Listed Companies: -None-		
				Position in Other Limited Companies/ Organizations: - None -		
				Position in Competition/ Related to Businesses of the Company: - None -		
No.6  Mr.Adul Suravudhikul Deputy Managing Director in Financial Management (Credit)  Nationality: Thai Age: 56 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)  - How to Develop a risk Management Plan (HRP), Thai Institute of Directors (IOD)	No Share	-None-	Position in the Company & Subsidiaries:		
				2015 – Present	Deputy Managing Director in Financial Management	Buriram Sugar Public Company Limited
				2018 – Present	Deputy Managing Director in Financial Management (Credit)	Buriram Sugar Factory Company Limited
				Position in Listed Companies:		
				Position in Other Limited Companies/ Organizations: -None-		
				1999 – 2015	Senior Director (Investment Banking)	UOB (Thai) Public Company Limited
				Position in Competition/ Related to Businesses of the Company: - None -		
No.7  Mr. Nopanant Poonsub Assistant Managing Director in Production  Nationality: Thai Age: 54 years old	- Bachelor of Chemical Engineering, Prince of Songkla University	0.0037%  (30,600 shares)  (As of December 30, 2019/ 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 2019**

Annual Registration Statement 2019

Name	Position	Amount of Ordinary Shares as of 28 December 2018	Method of Acquisition and Disposition in 2019				Amount of Ordinary Shares as of 30 December 2019	% Total Number of Voting Rights	Remark
			Buy	Sell	Received	Transfer			
1. Mr. Prachuab Chaiyasan	Chairman of Board of Directors (Independent Director) and Chairman of Audit Committees	405,000	-	-	-	-	405,000	0.0499	
2. Mr. Anant Tangtongwechakit	Director, Chairman of Executive Committees, Chairman of Risk Management Committees and Managing Director (Executive)	33,124,320 *(including his spouse's 25,320 shares)	-	-	-	-	33,124,320 *(including his spouse's 25,320 shares)	4.0788	His spouse is Mrs.Sureewan Tangtong wechakit.
3. Mrs. Wanphen Punyaniran	Director (Executive of the company's subsidiary)	32,939,000	-	-	-	-	32,939,000	4.0560	
4. Mrs. Jirawan Pongpichitkul	Director, Executive Committee Member and Risk Management Committee Member (Executive)	32,889,000	-	-	-	-	32,889,000	4.0499	
5. Miss Chittima Tangtrongwechakit	Director, Executive Committee Member, Risk Management Committee Member, Nomination and Remuneration Committee Member and Corporate Governance Committee Member (Executive)	32,889,000	-	-	-	-	32,889,000	4.0499	
6. Mr. Sarit Tangtrongwechakij	Director, Executive Committee Member and Risk Management Committee Member (Executive)	32,889,000	-	-	-	-	32,889,000	4.0499	
7. Mr. Adisak Tangtrongweachakit	Director, Executive Committee Member, Risk Management Committee Member, Nomination and Remuneration Committee Member and Corporate Governance Committee Member (Executive)	32,889,000	-	-	-	-	32,889,000	4.0499	

Name	Position	Amount of Ordinary Shares as of 28 December 2018	Method of Acquisition and Disposition in 2019				Amount of Ordinary Shares as of 30 December 2019	% Total Number of Voting Rights	Remark
			Buy	Sell	Received	Transfer			
8. Mr. Sirichai Sombutsiri	Independent Director and Audit Committee Member	405,000	-	-	-	-	405,000	0.0499	
9. Mrs. Seenual Tasanapant	Independent Director, Audit Committee Member, Chairman of Corporate Governance Committees and Chairman of Nomination and Remuneration Committees	-	-	-	-	-	-	-	No BRR's Shares
10. Assoc. Prof. Dr. Djitt Laowattana	Independent Director and Corporate Governance Committee Member	-	-	-	-	-	-	-	No BRR's Shares
11. Mr. Vichate Tantiwanich	Independent Director, Audit Committee Member and Nomination and Remuneration Committee Member	-	-	-	-	-	-	-	No BRR's Shares
12. Mr. Pattarapong Pongsawasdi	Deputy Managing Director in Investor Relations and International Affair and Industrial Policy	-	-	-	-	-	-	-	No BRR's Shares
13. Mr. Pitak Chaosoun	Deputy Managing Director in Finance and Operation Group (CFO)	3,240	-	-	-	-	3,240	0.0004	

**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 according to Report on Executive's securities holding under Section 59.

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

**Attachment 2****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.

### Internal Audit Detail

<b>Name</b>	: Miss Natchaya Yangyuenrat
<b>Age</b>	: 42 Years old
<b>Education</b>	: Master of Business Administration in Managerial Accounting, Burapha University Bachelor of Accounting, Phetchaburi Rajabhat University
<b>Training</b>	: Anti-Corruption Working Paper Class 1/2562 Corruption Risk & Control: Technical Update Audit Manager Tools and Techniques

**Work Experience (Past 5 Years):**

<b>Period</b>	<b>Position</b>	<b>Company/ Type of Business</b>
2018 – Present	Internal Audit Office Manager	Buriram Sugar Public Company Limited/ Holding Company
2015-2018	Internal Audit Manager	Chao Phaya Insurance Public Company Limited/ Non-life Insurance Industry
2012-2015	Internal Audit Manager	Assets Insurance Public Company Limited/ Non-life Insurance Industry

**Attachment 4**

**Details of Asset Appraisal**

- None -

**Attachment 5****Report on the Board of Directors' Responsibility for the Financial Statements**

The Board of Directors has realized the duties and the responsibility for the consolidated financial statements of the company and its subsidiaries and the separate financial statements in year ended December 31, 2019, including the financial information which was disclosed in 2019 Annual Registration Statement and Annual Report, in accordance with financial reporting standards and appropriate accounting policies through all the years. As well as, 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 financial statements showed the important matters concerning to the disclosure standards of the financial statements. Furthermore, the management discussion and analysis regarding the financial positions and operating results of the company and its subsidiaries was transparently disclosed, so as to contribute to the benefits of the shareholders and general investors.

In addition, the Board of Directors has improved the good governance in the organization, as well as continuously has encouraged and developed such knowledge for the Board of Directors. Including, setting and recommendation the internal control and risk management system to provide the accurate, sufficient and efficient financial information. Nevertheless, the Board of Directors appointed the Audit Committee which consists of three independent directors who are responsible for reviewing the quality and regulating the financial statements, the information in the footnotes of financial statements and any related transactions, including evaluating the sufficiency of the internal control and audit efficiently and effectively in order to report to the Board of Directors accordingly. The Audit Committee's opinion on the matter is shown in the Report of the Audit Committee.

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, 2019 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



## Attachment 6

### 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 Committee Member
3. Mrs. Seenual Tasanapant Audit Committee Member

In 2019, the Audit Committee had 5 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	3/5
Mr. Sirichai Sombutsiri	5/5
Mrs. Seenual Tasanapant	5/5

Remark: Mrs. Seenual Tasanapant and Mr. Sirichai Sombutsiri are audit committee member who have sufficient knowledge and experiences to be responsible to review the accountability of financial statement.

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 2019 which have been reviewed and audited by the auditor. The Committee deemed that the financial reports for 2019 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 2019 internal control system and promote internal control advancement.

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- **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 2020.

- **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 2019 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.

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**Whistle blowing Channel**

1. By mail: The Chairman of Corporate Governance Committee or Internal Audit Office  
Buriram Sugar Public Company Limited (BRR)  
128/77-78, 7<sup>th</sup> floor Phayathai Plaza Building, Phayathai Road,  
Thung Phayathai, Ratchathewi, Bangkok, Thailand 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 on the Anti-Corruption self-assessment of Thai Institute of Directors.



.....  
(Mr. Prachuab Chaiyasan)

Chairman of the Audit Committee

## Attachment 7

### 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 2019, 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	4/4
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 2019 important matters performed by such committee are as follows;

#### 1. Risk Management Plan in 2019

Risk Management Committee has determined the risk appetite for each business unit (BU) in each procedure for example,

- BSF: sugarcane crushing capacity per day, sugar production efficiency, scheduled shutdown of machines, sugar quality and molasses storage temperature, etc.
- The power plants of BEC, BPC and BPP: steam and exhaust providing to the sugar factory and amount of contaminated sugar from condensate water, etc.
- BRD: % of leaf sheath on a sandy soil per sugarcane, Commercial Cane Sugar (C.C.S.), % of raw sugarcane and % of burning sugarcane.

- BRR: fluctuations of world sugar prices, currency exchange fluctuations, lack of liquidity due to unexpected cash flow issues and risk of environment, etc.

In addition, all relevant business units (BU) will be required to formulate the action plan of risk management immediately, if Key Risk Indicators (KRIs) are not in line with Risk appetite. Then, the reports are closely presented to the Management and the Risk Management Committee.

## 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 and push forward 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 relevant business units to additionally establish a measurement or action plan, if Key Risk Indicators (KRIs) are not achieved their specified targets or Risk appetite. Moreover, the risk status summary report including KRIs of the crop year and the Corporate KRIs has to be submitted to ensure the specified risk management in line with the changing situations.

## 4. 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 the 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

## Attachment 8

### Report of the Nomination and Remuneration Committee

To: All shareholders,

In 2019, the Nomination and Remuneration Committee had 2 meetings that the meeting attendance is as follows;

Name		Number of Attendance
1.	Mrs. Seenual Tasanapant Chairman of the Nomination and Remuneration Committee	2/2
2.	Mr. Vichate Tantiwanich Nomination and Remuneration Committee Member	2/2
3.	Miss Chittima Tangtrongwechakit Nomination and Remuneration Committee Member	2/2
4.	Mr. Adisak Tangtrongweachakit Nomination and Remuneration Committee Member	2/2

The Nomination and Remuneration Committee has accomplished the duties as assigned by the Board of Directors, and in compliance with the charter of the committee. In 2019, a summary of the important matters performed by the Nomination and Remuneration Committee are as follows;

#### Nomination

The Nomination and Remuneration Committee has performed duties to select suitable candidates to replace a 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 2019, 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 director whose position is vacated upon the expiration term of service.

Furthermore, the Nomination and Remuneration Committee also performed these matters are as follows;

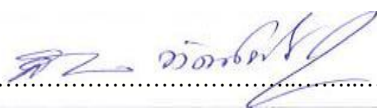
- Review the policy, criteria and process of nomination directors and sub-committee members by adding more criteria of selection and nomination for consideration which the directors of the company should have qualifications for modern technologies and innovations in order to correspond with the global evolution of the present.
- Review the Board Skill Matrix to be regularly updated, for the information of the experiences and training courses of individual directors.
- Review the structure, size and composition of the Board of Directors that appropriate with the company.
- Determine the 2020 training plan of the directors and sub-committees in order to improve and develop the operations more efficient.
- Review the process and criteria of the performance evaluation of 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. In addition to converting the performance evaluation of the year 2019 into online platform to ensure convenience for the directors and to reduce paper consumption.

Thus, the disclosure of such training attendance and self-assessment results is found in this annual report and Form 56-1 in 2019.

### **Remuneration**

The Nomination and Remuneration Committee has reviewed a policy and criteria to determine appropriate compensation or other benefits for company directors, sub-committees 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 Remuneration 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 Remuneration Committee has disclosed the compensation of the directors, sub-committees, and senior executives in this annual report and Form 56-1 in 2019.



(Mrs.Seenual Tasanapant)

Chairman of the Nomination and Remuneration Committee



## Attachment 9

### Report of the Corporate Governance Committee

To: All Shareholders

In 2019, 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	Chairman of the Corporate Governance Committee	2/2
2.	Assoc. Prof. Dr. Djitt	Laowattana	Corporate Governance Committee Member	2/2
3.	Miss Chittima	Tangtrongwechakit	Corporate Governance Committee Member	2/2
4.	Mr. Adisak	Tangtrongweachakit	Corporate Governance Committee Member	2/2

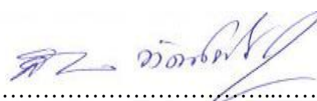
The Corporate Governance Committee has performed duties and responsibilities assigned by the Board of Directors which are stipulated in the charter of the committee. The committee is responsible for overseeing that the company's business operations are conducted, as well as directors, executives, management 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 will be a solid foundation for sustainable growth. In 2019, the operations on this issue are summarized as follows;

- The corporate vision, mission, philosophy, core value and strategy (business goals) regarding the good corporate governance were reviewed to promote good corporate governance and lead to sustainable business operations of Buriram Sugar Group.
- The committee proposed to amend the Charter of the Board of Directors regarding composition, qualifications and appointment, adding more the qualification of the directors of the company for modern technologies and innovations according to the current situation and future trends.
- The Charters of the Sub-Committees was reviewed to report to the Board of Directors.
- The company's good corporate governance and code of conduct handbook was reviewed to ensure the compliance with the CG Code
- The assessment of the quality on holding the Annual General Meeting of Shareholders in 2019 (AGM Checklist) by Thai Investor Association and the Securities and Exchange Commission, the company received 100 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 being assessed as "Excellent" for the

second consecutive years, with the average score of 95% which is higher than the average score of the overall listed companies of the Stock Exchange of Thailand which were at 82% under the project of the Assessment of Corporate Governance Report of Thai Listed Companies (CGR) in 2019 by Thai Institute of Directors (IOD)

- The company has overseen and promoted personnel to comply with the anti-corruption policy to adhere to the organizational culture. In addition, the internal auditor has assessed the internal control system, working procedures, and other significant policies for the corporate's 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 2019. Besides, the company has been certified by Thailand's Private Sector Collective Action Coalition Against Corruption on June 7, 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](http://www.buriramsugar.com), and in the good corporate governance handbook, 4th edition. Consequently, there was no any whistleblowing issue or suggestion received from stakeholders in 2019.

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 sustainably effective business operations, as well as encouraging the company to earn trustworthiness and confidence of all stakeholders. Thus, more details of 2019 operations on this issue are disclosed in Part 2, item no. 9 Corporate Governance in this annual report and Form 56-1 in 2019.



(Mrs.Seenual Tasanapant)

Chairman of the Corporate Governance Committee

**Attachment 10**
**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;	✓	
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 judgment.	✓	
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.	✓	
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.	✓	

Question	Yes	No
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.	✓	
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.	✓	
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:  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.  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.	✓  ✓	
10.3 The company sets up suitable varieties of internal control namely manual and automated control or the prevention and monitoring control.	✓	
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	✓	



Question	Yes	No
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.	✓	

Question	Yes	No
12.6 The company's policies and processes are suitably implemented by capable personnel including the process of operation correction.	✓	
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.	✓	
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.	✓ ✓	

#### 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 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.	✓	

Question	Yes	No
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, including senior management and the Board of Directors, as appropriate.**

Question	Yes	No
17.1 The company evaluates and communicates the deficiencies of its internal control system and timely proceed to monitor and rectify such deficiencies in the event that the operating result significantly differs from the predefined goal.	✓	
17.2 The company has the following reporting policies: 17.2.1 Management must immediately report to the board of directors in the event of fraud or suspicion of fraud, violation of laws or other unusual actions that may significantly affect the company's reputation of financial position. 17.2.2 Significant deficiencies along with problem solving guideline (although the problem may have already been managed) are timely reported to the company's Board of Directors/ Audit Committee for consideration. 17.2.3 Progress on the remedy of significant flaws are reported to the company's Board of Directors/ Audit Committee.	✓  ✓  ✓	


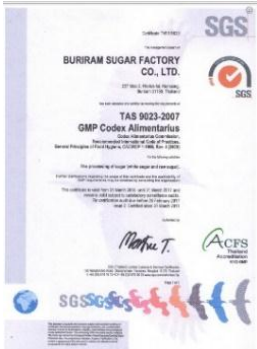
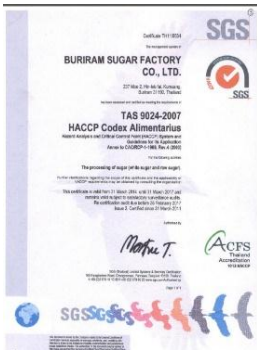
Attachment 11

Awards and Quality Certifications

Buriram Sugar Public Company Limited (“BRR”)




Awards/Certificates	Given/Certified by	Descriptions
<p>Excellent Workplace Award</p> 	Ministry of Labour	Provincial Excellent Workplace Award in safety, occupational health and working environment in for 4 consecutive years. (2016-2019)
<p>AGM Checklist 2019</p> <p>100 full scores</p> 	Thai Investors Association and The Securities and Exchange Commission	The quality assessment of the 2019 Annual General Meeting of Shareholders (AGM Checklist). BRR got 100 full scores.
<p>Corporate Governance Assessment (CGR) 2019, "Excellent" level</p> 	Thai Institute of Directors (IOD)	BRR got an average score of 95% that was assessed as “Excellent” for 2 consecutive years under the project of the Assessment of Corporate Governance Report of Thai Listed Companies (CGR).
<p>Selected as a Securities List in the Stock Universe of Thai CG Funds</p> 	The Thai CG Fund Investment Committee	BRR was selected as a securities list in the Stock Universe of Thai CG Funds for 2 consecutive years in 2018-2019.




**Buriram Sugar Factory Company Limited (“BSF”)**

Awards/Certificates	Given/Certified by	Descriptions
<p>ISO 9001:2015 – Quality Management System</p> 	<p>SGS (Thailand) Company Limited</p>	<p>To guarantee the international standard of the quality management system.</p>
<p>Good Manufacturing Practice (GMP)</p> 	<p>SGS (Thailand) Company Limited</p>	<p>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.</p>
<p>Hazard Analysis and Critical Control Points (HACCP)</p> 	<p>SGS (Thailand) Company Limited</p>	<p>To certify the management of produce quality control. The preventative food safety system which is scientifically analyzed for microbiological, physical and chemical hazards.</p>

Awards/Certificates	Given/Certified by	Descriptions
<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>
<p>The Quality Standard of Plant Product Factory Certificate</p>	<p>Department of Agriculture, Ministry of Agriculture and Cooperatives</p>	<p>Registration of this certificate is pursuant to declaration of Department of Agriculture according to the regulations, procedures and conditions of the registration of the plant product factory B.E. 2559.</p>
<p>The Quality Standard of Agricultural Processing Factory Certificate</p>	<p>Department of Agriculture, Ministry of Agriculture and Cooperatives</p>	<p>To certify the quality standard of the agricultural processing factory in order to issue the phytosanitary certificate.</p>



Awards/Certificates	Given/Certified by	Descriptions
<p>Environmental Good Governance Award</p> 	<p>Office of The Cane and Sugar Board</p>	<p>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.</p>
<p>Green Industry – Level 2 (Green Activity)</p> 	<p>Ministry of Industry</p>	<p>To certify the organization's improvement of the environmental scheme in order to decrease the negative impact on the environment.</p>
<p>Green Industry – Level 3 (Green System)</p> 	<p>Ministry of Industry</p>	<p>To certify the systematically environmental management.</p>

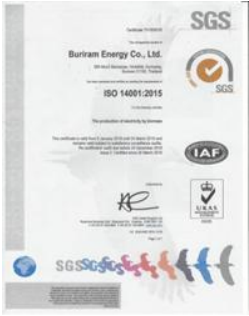



Awards/Certificates	Given/Certified by	Descriptions
<p>Water Footprint for Sustainable Water Management Certificate in Food Industry for Export and Trading</p> 	Office of Industrial Economics	To certify the sustainable water management.
<p>Carbon Footprint Reduction Label Scheme Certification 2016-2020</p> 	Ministry of Natural Resources and Environment, and Thailand Greenhouse Gas Management Organization (Public Organization)	To certify the reduction of greenhouse gas emissions from production process
<p>Food Safety Certification (Food and Drug Administration)</p>	Buriram Provincial Public Health, Ministry of Public Health	To certify the quality of sugar product under the brand “Key Brand Sugar” and “BRUM”
<p>Thai Industrial Standard Sugar Product Certification (TIS 56-2552)</p>	Thai Industrial Standards Institute, Ministry of Industry	To certify that its products’ quality and standard pursuant to the regulations of the Ministry of Industry.
<p>Halal Food Certification</p> 	The Central Islamic Committee of Thailand	To certify that its products are not against the Islamic dietary principles.

**Buriram Sugarcane Research and Development Company Limited (“BRD”)**

Awards/Certificates	Given/Certified by	Descriptions
 <p><b>Mr. Samran Pinitram</b></p> <p>Excellent sugarcane farmer in 2019            Runner-up award for the excellence of sugarcane yield and quality, Group 1            (planting area 1-59 Rai)</p>	Office of The Cane and Sugar Board	<p>Award given to sugarcane farmers who have knowledge and ability in water management with efficient use of water</p> <p>There is a storage of soil moisture and high productivity when there is a water supply system.</p>
 <p><b>Mr. Thanachai Chayangkrupattarakit</b></p> <p>Excellent sugarcane farmer in 2019            Runner-up award in the category of sugarcane farm management with environmentally friendly method, Group 2            (planting area 60-199 Rai)</p>	Office of The Cane and Sugar Board	<p>Award given to sugarcane farmers with integrated sugarcane management in many areas. From the conservation of soil and water, biological management of sugarcane pests, safety management both for themselves and the environment, including soil conservation by cutting fresh sugarcane and remaining leaves.</p>


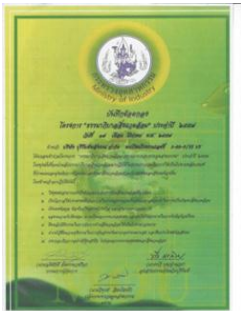
**Buriram Energy Company Limited (“BEC”)**





Awards/Certificates	Given/Certified by	Descriptions
<p>ISO 9001:2015 – Quality Management System</p> 	SGS (Thailand) Company Limited	<p>Certification on international standard of the quality management system.</p>

<p>ISO 14001:2015 - Environmental Management System</p> 	<p>SGS (Thailand) Company Limited</p>	<p>Certification on environmental management systems.</p>
<p>Environmental Governance Award 2014</p> 	<p>Ministry of Industry</p>	<p>Implementing environmental governance principles in the operation of the business in accordance with the specified criteria and focusing on the prevention and preservation of the environment together with local communities and society.</p>
<p>Green Industry – Level 2 (Green Activity)</p> 	<p>Ministry of Industry</p>	<p>To certify the organization's improvement of the environmental scheme in order to decrease the negative impact on the environment.</p>
<p>Green Industry – Level 3 (Green System)</p> 	<p>Ministry of Industry</p>	<p>To certify the workplace that has systematic environmental management.</p>

Thailand Energy Awards 2017 	Department of Alternative Energy Development and Efficiency (DEDE), Ministry of Energy	The 1 <sup>st</sup> runner-up award in the renewable energy category of cogeneration power plant.
ASEAN Energy Awards 2017 	35 <sup>th</sup> ASEAN Ministers on Energy Meeting (35 AMEM), in Philippines	The winner award on the cogeneration power plant.




**Buriram Power Company Limited (“BPC”)**

Awards/Certificates	Given/Certified by	Descriptions
ISO 9001:2015 – Quality Management System 	SGS (Thailand) Company Limited	Certification on international standard of the quality management system.
Environmental Governance Award 2015 	Ministry of Industry	Implementing environmental governance principles in the operation of the business in accordance with the specified criteria and focusing on the prevention and preservation of the environment together with local communities and society.

<p>Green Industry – Level 2 (Green Activity)</p> 	<p>Ministry of Industry</p>	<p>To certify the organization's improvement of the environmental scheme in order to decrease the negative impact on the environment.</p>
<p>Excellence Award, Thailand Energy Awards 2018</p> 	<p>Department of Alternative Energy Development and Efficiency (DEDE), Ministry of Energy</p>	<p>BPC received the Excellence Award for the bagasse-fired cogeneration power plant project.</p>
<p>First Runner-up Award, ASEAN Energy Awards 2018</p> 	<p>36<sup>th</sup> ASEAN Ministers on Energy Meeting (36 AMEM), in Singapore</p>	<p>BPC received the first runner-up award on the cogeneration category.</p>
<p>Energy Globe National Award 2019</p> 	<p>Austrian Embassy of Thailand in collaboration with UNEP</p>	<p>BPC received the winner award as the biomass power plant. This award is the one of important environmental award and is given to a project with outstanding practical guidelines that focus on sustainable development.</p>



**Buriram Power Plus Company Limited (“BPP”)**

Awards/Certificates	Given/Certified by	Descriptions
<p>ISO 9001:2015 – Quality Management System</p> 	<p>SGS (Thailand) Company Limited</p>	<p>Certification on international standard of the quality management system.</p>
<p>Environmental Governance Award 2018</p> 	<p>Ministry of Industry</p>	<p>Implementing environmental governance principles in the operation of the business in accordance with the specified criteria and focusing on the prevention and preservation of the environment together with local communities and society.</p>
<p>Green Industry – Level 1 (Green Commitment)</p> 	<p>Ministry of Industry</p>	<p>To certify the organization's that is committed to reducing the impact on the environment and has internal communication in the organization.</p>



**Key Brand Fertilizer Company Limited (“KBF”)**

Awards/Certificates	Given/Certified by	Descriptions
<p>Product Certification – Quality of Organic Fertilizer Tablets (Grade 2) No. 11150//2018</p> 	<p>Land Development Department, Ministry of Agriculture and Cooperatives</p>	<p>To certify that Key Brand Fertilizer Company Limited has implemented the agricultural producing factors according to the standards and quality requirements.</p>
<p>Product Certification – Quality of Organic Fertilizer Tablets (Grade 2) No. 11192/2018</p> 	<p>Land Development Department, Ministry of Agriculture and Cooperatives</p>	<p>To certify that Key Brand Fertilizer Company Limited has implemented the agricultural producing factors according to the standards and quality requirements.</p>
<p>Environmental Governance Award 2018</p> 	<p>Ministry of Industry</p>	<p>Implementing environmental governance principles in the operation of the business in accordance with the specified criteria and focusing on the prevention and preservation of the environment together with local communities and society.</p>





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