

# ANNUAL REPORT 2020

## TOWARD SUSTAINABLE GROWTH



Buriram Sugar Public Co., Ltd.



## 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

- Excellence in management and quality control of sugarcane production, sugar product and residues from sugarcane plantation and sugar production with standard and maximum efficiency.
- 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.
- Develop the administration and management system continuously for the stability of the product and the profits of the sugarcane farmer and the businesses of the Company and its subsidiaries.
- Enhance innovation and research to increase organization and cane growers' efficiency and competitiveness.
- Encourage and support staffs and cane growers to learn new knowledge for sustainable growth.
- 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.
- 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.



# Contents

2

Message to Shareholders

4

Financial Result and  
Operating Overview

8

Directors and Executives

<b>14</b> Policy, Overview and Goal of Business Operation	<b>99</b> Securities and Shareholders	<b>210</b> Financial Statements	<b>365</b> Attachment 5 Report on the Board of Directors' Responsibility for the Financial Statements
<b>28</b> Nature of Business	<b>105</b> Management Structure	<b>328</b> Management Discussion and Analysis	<b>366</b> Attachment 6 Report of the Audit Committee
<b>70</b> Risk Factors	<b>152</b> Corporate Governance	<b>360</b> Attachment 1 Details of the Boards of Directors, Executive Members, Controlling Persons and Company Secretary	<b>368</b> Attachment 7 Report of the Risk Management Committee
<b>80</b> Operational Assets	<b>191</b> Corporate Social Responsibility	<b>362</b> Attachment 2 Details of the Directors of the Company's S ubsidiaries	<b>370</b> Attachment 8 Report of the Nomination and Remuneration C ommittee
<b>95</b> Legal Disputes	<b>200</b> Internal Control and Risk Management	<b>363</b> Attachment 3 Details of the Head of the Internal Audit	<b>372</b> Attachment 9 Report of the Corporate Governance Committee
<b>96</b> General Information and Other Important Information	<b>203</b> Related Transactions	<b>364</b> Attachment 4 Details of Asset Appraisal	<b>374</b> Attachment 10 Internal Control System Sufficiency Evaluation



## Message to shareholders

### Dear all Shareholders

Amidst global economy heading to recession with the crisis of COVID-19 pandemic, the economies of all regions and countries around the world have been critically threatened in particular manufacturing and tourism sectors. And, when this crisis will end is difficult to predict. As a result, the Company is aware of its duties to lessen the impact, reviewing and updating the strategic business plans in terms of methods of earning profits, cost management and reduction including investment plans as well as creating emergency Business Continuity Plan: BCP which enable the business operations to run smoothly and to achieve its objectives as planned.

As of the company performance in 2020, Thailand's Cane and Sugar industries has experienced challenges in relation to cane production due to its worst drought in four decades. This year's drought crisis results a total of 73 — 75 million tons of cane for extraction, down 44 % of cane production. There

is also a reduction in sugarcane output due to drought for the major producer and exporter of sugar like India. However, BRR and its subsidiaries plan to cope with the drought by focusing on the effective management in terms of the sugarcane plantation for maintaining the volume of cane and enhancing the quality of sugarcane productivity along with the capacities of as much sugar extraction per tons of cane (yield) as possible. To improve the quality of sugar, the company has taken action to apply new technologies, responding to increasing demands of the consumers nowadays. These customers would include a group associated with manufacturing and general consumers in the domestic and international market. In today's change in customer behavior, the consumption of sugar has substantially decreased over the past few years since people were appeared to become more aware of their health, contributing to dietary practices.

This factor has, in turn, driven the industry to prefer the sweetener or sugar substitutes. In addition, the world economy downturn in particular manufacturing industries and export sectors contributed to the similar trend of the commodity pricing.

Today, the company's main products are sold under the brand name "BRUM". The products comprise of the following: refined sugar, brown sugar, and white sugar. The Company has implemented marketing strategies to increase brand awareness of these "BRUM" products; increasing chances of being remembered in the market, with an aim to create sustainable brand loyalty in the long run. A group of potential consumers include multiple types of business industries such as industrial product companies, modern trading, wholesale distribution, and direct sale companies.

According to the aforementioned factors of economy and the impact of Covid-19 outbreak, the company's operation result of 2020 earns the revenue from providing goods and services in total of 3,982 million Thai Baht and the net profits of 6.17 million Thai Baht. The key factors were greater proportion of costs on sugar production. A higher proportion of this costs comprises energy, electricity, stream, woodchip, and wage. In addition to these factors, Sugarcane Ecoware Company Limited ("SEW") as its subsidiary, the business of manufacturing packaging products which are made from bagasse, has been severely affected by the unprecedented global impact of the coronavirus crisis. Because of the disruption of international trade and expanding to new domestic market not enough to compensate its loss in export sales, the Company would not be able to achieve its business aims. Although, the operating expenses including depreciation, administrative expenses, and financial costs remain stable, this investment is not fully redeemed. Nevertheless, the major objectives of this business are to promote diversity in business and to support uncertainty in the sugar industry, particularly the risks from world sugar price fluctuation and to increase an eco-friendly packaging alternative, involving the use of biodegradable materials instead of plastics uses.

Although, the revenue of the year 2020 has dropped, the company has continued emphasizing the determination and prioritization to the sustainable development. This cover benefits of internal and external stakeholders, modern technologies, and upcoming innovation, supporting the

cultivation and manufacturing, including providing 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 terms of Corporate Social and Environmental Responsibility in the past few years, a community enterprise, namely S.N.T, has been established in cooperation with the neighboring communities such as Sao Ae, Non Klang and Non Tao Thong, with the aim to increase profits and build the strength among people in the communities. Because Corporate Social Responsibility is the key that leading BRR to sustainable development path in parallel with the improvement of cane growers, nearby communities' member, and staff standard of living.

On account of overseeing and monitoring the compliance with the good corporate governance, this led to the result of being rated "Excellent" with the average score of 94% for the 3rd consecutive year which is higher than the average score of the overall listed companies of the Stock Exchange of Thailand which were at 83% under the project of the Assessment of Corporate Governance Report of Thai Listed Companies (CGR) in 2020, carried out by the Thai Institute of Directors Association (IOD). The result reflects the Board of Directors, the executives and employees' performance towards the organization, shareholders and all stakeholders with their firm commitment to Corporate Governance.

Moreover, BRR also firstly selected as one of the 2020 Thailand Sustainability Investment "THIS" or Thailand Sustainability Investment List in 2020 as the agricultural-industry and food business, hosted by the Stock Exchange of Thailand and given to listed companies that demonstrate outstanding commitment to sustainable development and contributions to the environment, society, and corporate governance.

Lastly, on behalf of the Board of Directors, the executive committee and individual employee, we would therefore like to thank you all clients, shareholders, business partners, stakeholders and all other relevant parties for maintaining continued trustworthiness and support toward the business operations of Company group, and assure you that even in the most-severe economic crisis in history, the Company group will be able to operate the business and overcome it steadily together with sustainable business management.



(Mr. Sirichai Sombutsiri)

Chairman of the Board of Directors



(Mr. Anant Tangtongwechakit)

Chief Executive Director and Managing Director



# Financial Ratio

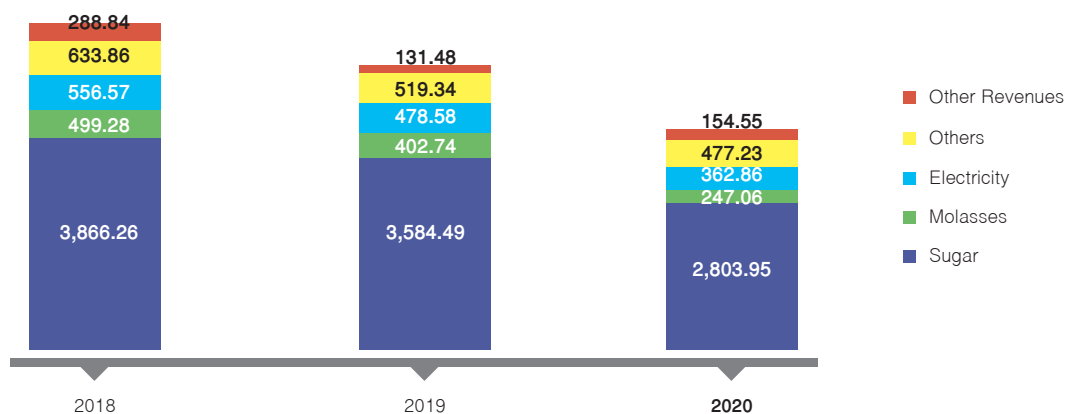
	2018	2019	2020
<b>Liquidity ratio</b>			
Current ratio (times)	0.73	0.52	0.64
Quick ratio (times)	0.40	0.29	0.40
Current cash flow ratio (times)	- 0.04	0.16	0.25
Accounts receivable turnover (times)	17.48	12.99	14.98
Average collection period (day)	20.60	27.71	24.04
Inventories receivable turnover (times)	3.76	3.97	4.41
Average selling period (day)	95.74	90.60	81.55
Accounts payable turnover (times)	5.88	5.39	4.32
Payment period (days)	61.24	66.74	83.39
Cash Cycle (day)	55.10	51.57	22.20
<b>Profitability ratio</b>			
Gross profit (%)	18.85	10.35	16.06
Operating profit (%)	17.77	5.01	17.63
Other profit (%)	4.94	2.57	3.82
Operating cash flow turnover (%)	-12.23	254.80	85.64
Net Profit Margin (%)	4.65	- 10.00	0.15
Net profit (%)	0.33	- 0.63	0.01
Dividend per share	0.30	0.15	-
Return on equity (%)	10.86	23.46	0.33
<b>Efficiency ratio</b>			
Return on total asset (%)	2.81	5.19	0.07
Return on fixed asset (%)	10.96	3.02	5.89
Total asset turnover (time)	0.60	0.52	0.45
<b>Financial policy ratio</b>			
Debt to equity (time)	3.11	4.06	3.67
Interest coverage (time)	2.48	3.84	3.67
Cash basis (time)	-0.07	1.73	-0.40
Payout ratio (%)	45.45	0.24	-



## 3 Years Financial Statements Summary

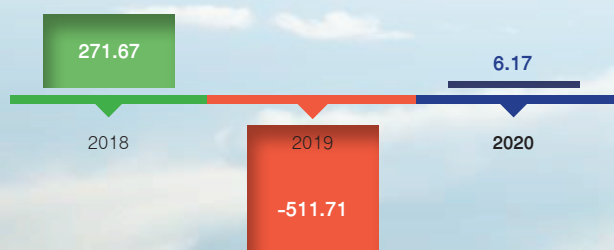
### Revenue from sale and services

(Unit : Baht Million)



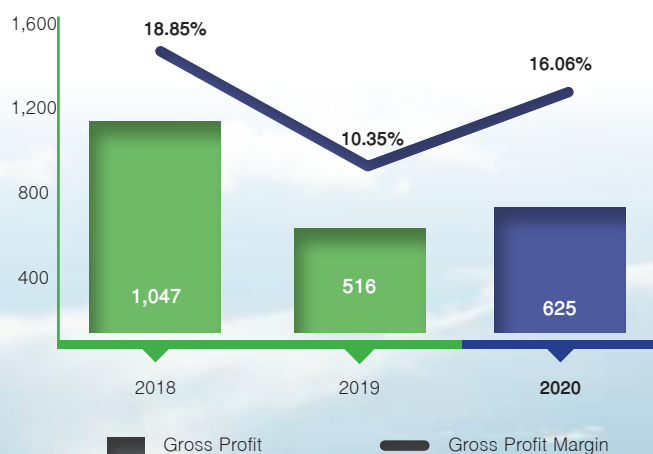
### Net Profit

(Unit : Baht Million)



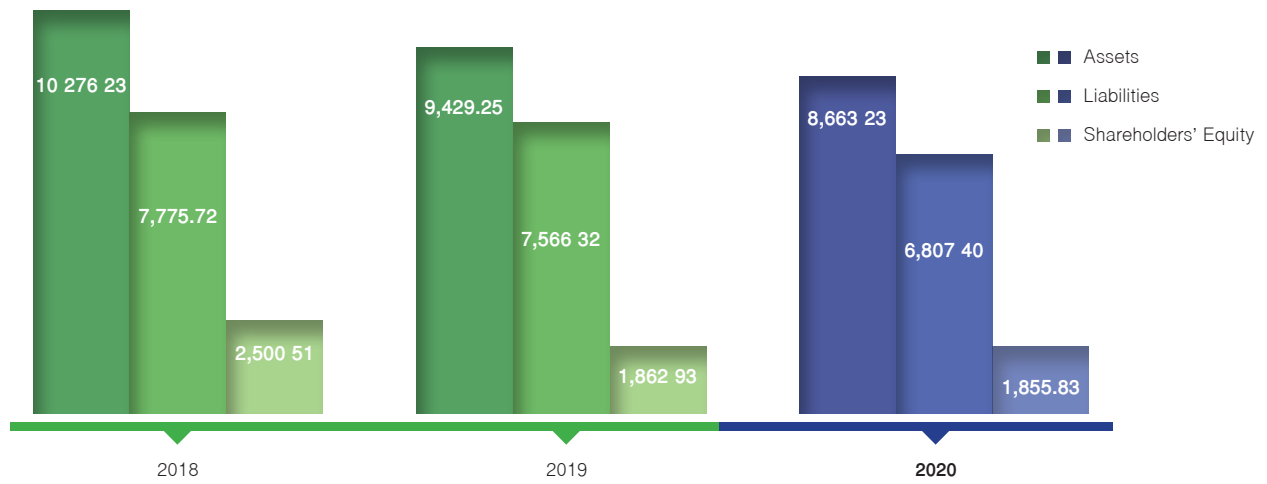
### Gross Profit and Gross Profit Margin

(Unit : Baht Million)



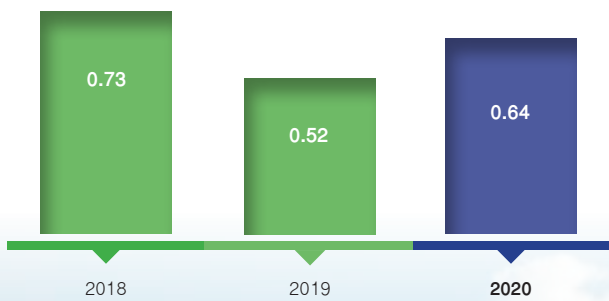
## Statements of Financial Position

(Unit : Baht Million)



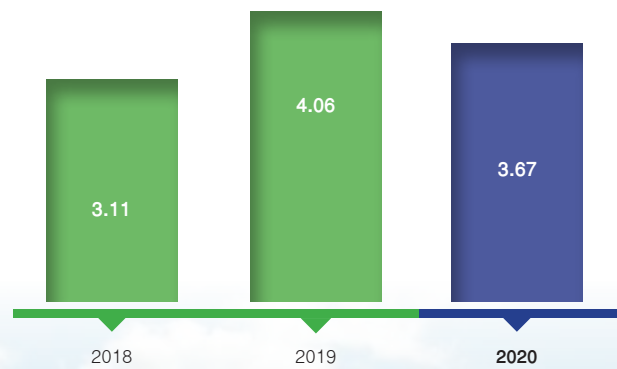
## Current Ratio

(times)



## Debt to Equity Ratio

(times)





# Business Operations Overview in 2020

(Crop Year 2019/2020)



Cane crushing

**1.79** million tons



Contract Farming

**10,253** famers



Planting Area

**199,898** rai



Sweetness

**13.75** CCS.



Sugar Production

**224,200** tons

Total Capacity  
Power Plant

**19.80** MW.



BEC  
**9.9** MW.



BPC  
**9.9** MW.



BPP  
**9.9** MW.

Power Purchased Agreement



BEC with PEA  
**8** MW.



BPC with PEA  
**8** MW.



BPP with PEA  
**8** MW.

Sugar Selling Proportion

For Export

**85** %\*\*



Asia **73.72%**

Africa **11.08%**

Others **0.2%**

For Domestic  
Sale

**15.0** %\*\*



Distributors  
Retail Shops **96%**

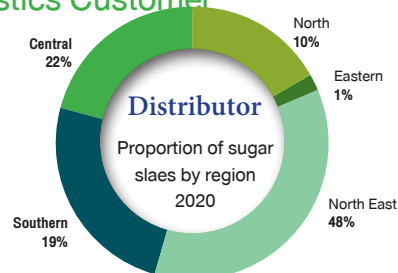
Modern Trade **3%**

Food Service **1%**

Sales by Sugar types



Domestics Customer



Modern Trade



Food Service



Foreign Customer

ALVEAN

ED&F  
MAN

wilmar

S&D SUCDEN  
ASIA

ITOCHU

Sugar Brand





## คณะกรรมการบริษัท



### 1. Mr. Sirichai Sombutsiri

Chairman of Board of Director,  
Independent Director, and  
Chairman of Audit Committee



### 2. Mr. Anant Tangtongwechakit

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



### 3. Mrs. Wanphen Punyaniran

Director  
(Authorized Director)



### 4. Mrs. Jirawan Pongpichitkul

Director,  
Executive Committee Member,  
Risk Management Committee Member  
and Deputy Chief Executive Officer  
in Raw Material Supply  
(Sugarcane) (Authorized Director)



### 5. Miss Chittima Tangtrongwechakit

Director, Executive Committee Member,  
Risk Management Committee Member and  
Deputy Chief Executive Officer  
in Domestic Sugar Sale and  
Purchasing Department  
(Authorized Director)



#### 6. Mr. Sarit Tangtrongwechakij

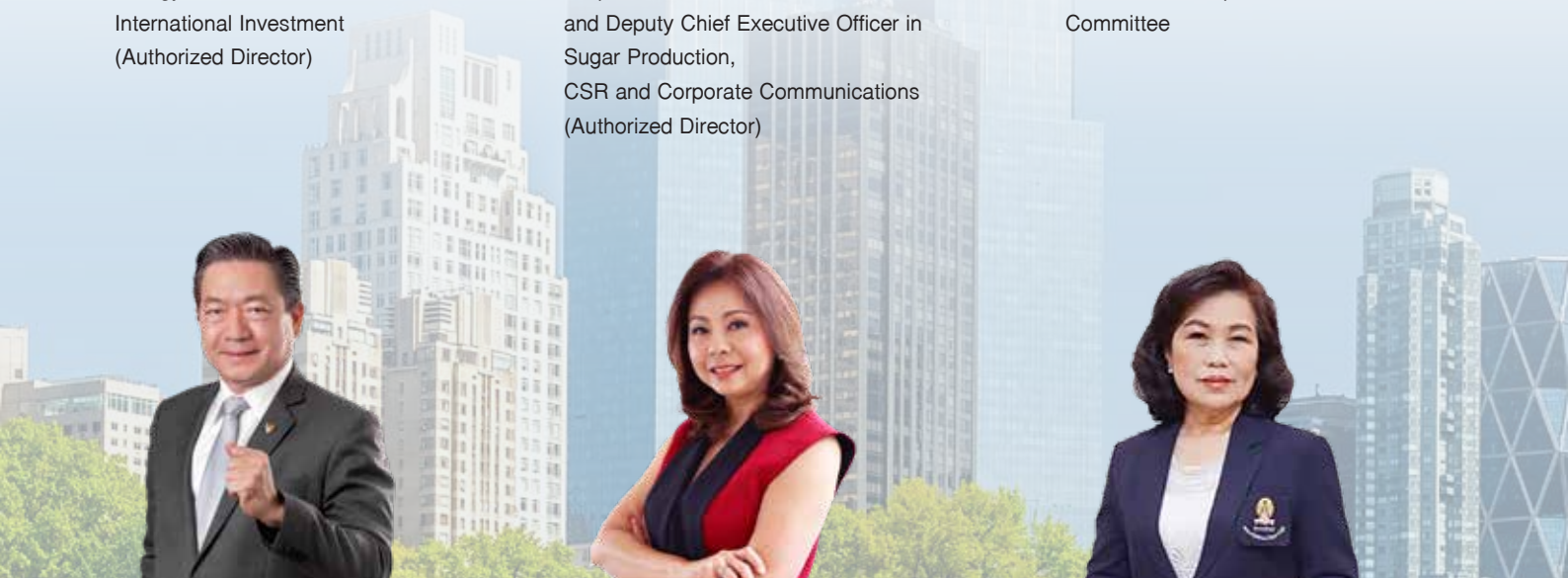
Director,  
Executive Committee Member,  
Risk Management Committee Member  
and Deputy Chief Executive Officer in  
Energy Business and  
International Investment  
(Authorized Director)

#### 7. Mr. Adisak Tangtrongweachakit

Director, Executive Committee Member,  
Risk Management Committee Member,  
Nomination and Remuneration  
Committee Member,  
Corporate Governance Committee Member  
and Deputy Chief Executive Officer in  
Sugar Production,  
CSR and Corporate Communications  
(Authorized Director)

#### 8. Mrs. Seenual Tasanapant

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



#### 9. Assoc. Prof. Dr. Djitt Laowattana

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

#### 10. Mrs. Weechadchada Yongsuwankul

Independent Director and  
Audit Committee Member

#### 11. Mrs. Porntip Sookatup

Independent Director and  
Audit Committee Member



**1. Mr. Anant Tangtongwechakit**

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



**2. Mrs. Jirawan Pongpichitkul**

Director,  
Executive Committee Member,  
Risk Management Committee Member  
and Deputy Chief Executive Officer in  
Raw Material Supply (Sugarcane)  
(Authorized Director)



**3. Miss Chittima Tangtrongwechakit**

Director, Executive Committee Member,  
Risk Management Committee Member and  
Deputy Chief Executive Officer in  
Domestic Sugar Sale and  
Purchasing Department  
(Authorized Director)



**4. Mr. Sarit Tangtrongwechakit**

Director, Executive Committee Member,  
Risk Management Committee Member and  
Deputy Chief Executive Officer in  
Energy Business and  
International Investment  
(Authorized Director)



#### **5. Mr. Adisak Tangtrongweachakit**

Director, Executive Committee Member,  
Risk Management Committee Member,  
Nomination and Remuneration  
Committee Member,  
Corporate Governance Committee Member  
and Deputy Chief Executive Officer in  
Sugar Production,  
CSR and Corporate Communications  
(Authorized Director)



#### **6. Mr. Vorathep Lertchaiudomchok**

Deputy Chief Executive Officer of  
Financial and Operations Group



#### **7. Mr. Pitak Chaosoun**

Deputy Managing Director of  
Accounting and  
Operations Group



#### **8. Mr. Adul Suravudhikul**

Deputy Managing Director  
in Financial



#### **9. Mr. Somyot Changyongsuwan**

Finance and Accounting Director (CFO)



# 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 are as follows:

## Important Changes and Events



**1963**

**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).



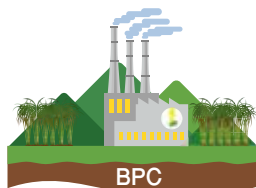
**1996**

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.



**2005**

Established **Buriram Energy Co., Ltd. ("BEC")** for support energy business in the future.



**2011**

BRR changed its operating business to Holding company while BSF operates sugar manufacturing and distributing business.

Established **Buriram Key Brand Fertilizer Co., Ltd. (KBF)** to conduct organic and chemical fertilizer production and distribution business.

Established **Buriram Power Co., Ltd. (BPC)** for support expansion of biomass electric energy business due to expansion of amount of cane sent to crush which increase the amount of bagasse correspondingly. BPC have had equipped capacity 9.9 MW and made a trading contract with PEA.



**2014**

**BRR** has registered in The Stock Exchange of Thailand in November 6, 2014.7



**1986**

Changed the company name to **Buriram Sugar Co., Ltd.** to conduct raw sugar and white sugar manufacturing business under **"Double Keys"** brand.



**2003**

Established **Buriram Sugar Factory Co., Ltd. ("BSF")** to conduct sugar trade business.



**2009**

BRD started using online plot system on October 1, 2009, to survey and monitor sugarcane plot of member farmers.

**2013**



Buriram Sugar Co., Ltd. has converted to **Buriram Sugar Public Co., Ltd.**

**BRR has increased its registered capital to 676,750,000 Baht to support IPO which consists of;**

- Capital increase ordinary shares totaling 180,800,000 shares offered to existing shareholders at specified value price.
- Capital increase ordinary shares not exceeding 6,767,500 shares offered to directors, executives, and employees at 2.70 Baht per share.
- Capital increase ordinary shares not exceeding 169,182,500 shares offered to public.

## Important Changes and Events



**2016**

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.



**2018**

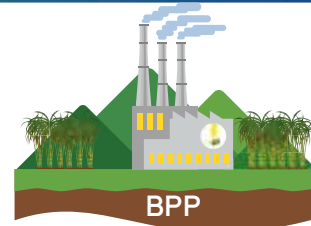
BRR was established Sugarcane Ecoware Company Limited ("SEW") to manufacture packaging products, equipment, and appliance which are made from bagasse and other pulps. The products will be distributed both retail and wholesale, as well as import and export. SEW was increased the registered capital in amount of 75 million Baht in January 2019.

BRR become a certified member of the Collective Action Coalition Against Corruption (CAC) on June 7, 2018.



**2020**

BRR changed the organization structure of the Company group by transferring the entire business of its subsidiary. Buriram Sugarcane Research and Development Co., Ltd. ("BRD") transferred its entire business to Sugar Factory Co., Ltd. ("BSF") and BRD registered for closing of Company to the Ministry of Commerce on September 30, 2020.



**2015**

Established Buriram Power Plus Co., Ltd. ("BPP") for operating the biomass power plant.



**2017**

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.

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.



**2019**

BRR has established BRR Logistics Management Company Limited ("BRLM"), 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.



BRR firstly was selected as one of the 2020 Thailand Sustainability Investment "THIS" or Thailand Sustainability Investment List in 2020 as the agro-industry and food business.



# 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 residues from sugarcane plantation and sugar production 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 the Company and its subsidiaries.
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 Public Co., Ltd and its subsidiaries ("the Company group") for more than decade which demonstrates a commitment to conducting business with sustainable growth. the Company group believes that the production of sugar in the best quality and highest quantity at lower cost will bring good turnover for the Company 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	The consciousness of success
M > Motivation	Share the responsibility of team with honest.

## 2. Overview of Business Operation

**Buriram Sugar Public Company Limited ("BRR")** and its subsidiaries ("the Company group") 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 Public Co., Ltd and its subsidiaries 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 residues from sugarcane plantation and 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 managing and supporting business; research and development of sugarcane as well as 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. In 2020, BSF increased registered capital to 2,050,000,000 Baht. Buriram Sugarcane Research and Development Company Limited (“BRD”) transferred its entire business to BSF with all its business assets, liabilities, rights to 2,114,492,600 Baht of registered capital and paid-up capital that is held 99.99% of shares by BRR.

BSF conducts sugar production and distribution business including research and development to improve the efficiency of sugarcane farming and nourishment. Its factory is located on 237 Moo.2, Hinlekkhai 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 the crop year of 2019/20, the Company manufactured and distributed refined sugar to increase its business value by specifically emphasizing on exports to industrial factories with the maximum capability of 1,200 tons per day. In addition to sugar production, BSF can generate electricity from steam, which is residue from sugarcane plantation and sugar production, 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. In 2020, CSF increased registered capital to 186,000,000 Baht 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. Presently, 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. In 2020, BSC increased registered capital to 64,000,000 Baht 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.

- **Residues from sugarcane plantation and sugar production 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 biomass power plant considered as the 2<sup>nd</sup> power

plant of Buriram Sugar Public Co., Ltd and its subsidiaries 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 2020, BPP increased registered capital to 340,000,000 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 3<sup>rd</sup> power plant of the power plant business group 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. Due to its capacities and technology readiness of the power generating system and fuels of the Company, it will be ready to operate instantaneously upon the opening of PEA for receiving power sales or any projects in the future which launched to receive power sales from small biomass power producers.

**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 from 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 potting soils, and distributes to BSF 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 five types of fertilizer which are powdered organic fertilizers, granular organic fertilizers, granular organic fertilizer plus chemical fertilizer 3 formulas and liquid chemical fertilizer. In 2019, KBF developed potting soils and then distributed them in April 2020, and obtaining good feedback and achieving 50,000 sacks of sale volume in 2020.

**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 2020, SEW increased registered capital to 285,000,000 Baht 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 commercially operate in the first quarter of 2020 onward. However, the Company had planned to implement marketing strategies primarily focusing on international trade but failed to achieve its export targets as a result of the current situations and effects of COVID-19 outbreak. Thus, SEW is required to adapt its marketing strategies to increase sales in domestic market. As of which, it included not only modern trades but also business groups providing food services such as small and large restaurants, schools, universities, as well as hospitals and public sectors including food caterers such as hotels, airlines, and important tourist sites. Additionally, the Company established its small bagasse-based pulp mill for the research and experiments of bagasse-based pulp production in 2020. Currently, the Company has been establishing large bagasse pulp mill to manufacture bagasse-based pulp used as the raw materials for the Company's packaging product factory. The construction of mill is expected to be completed by the fourth quarter of 2021. If the Company has the ability to make its own pulp, it will enable lower material costs.

## **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.

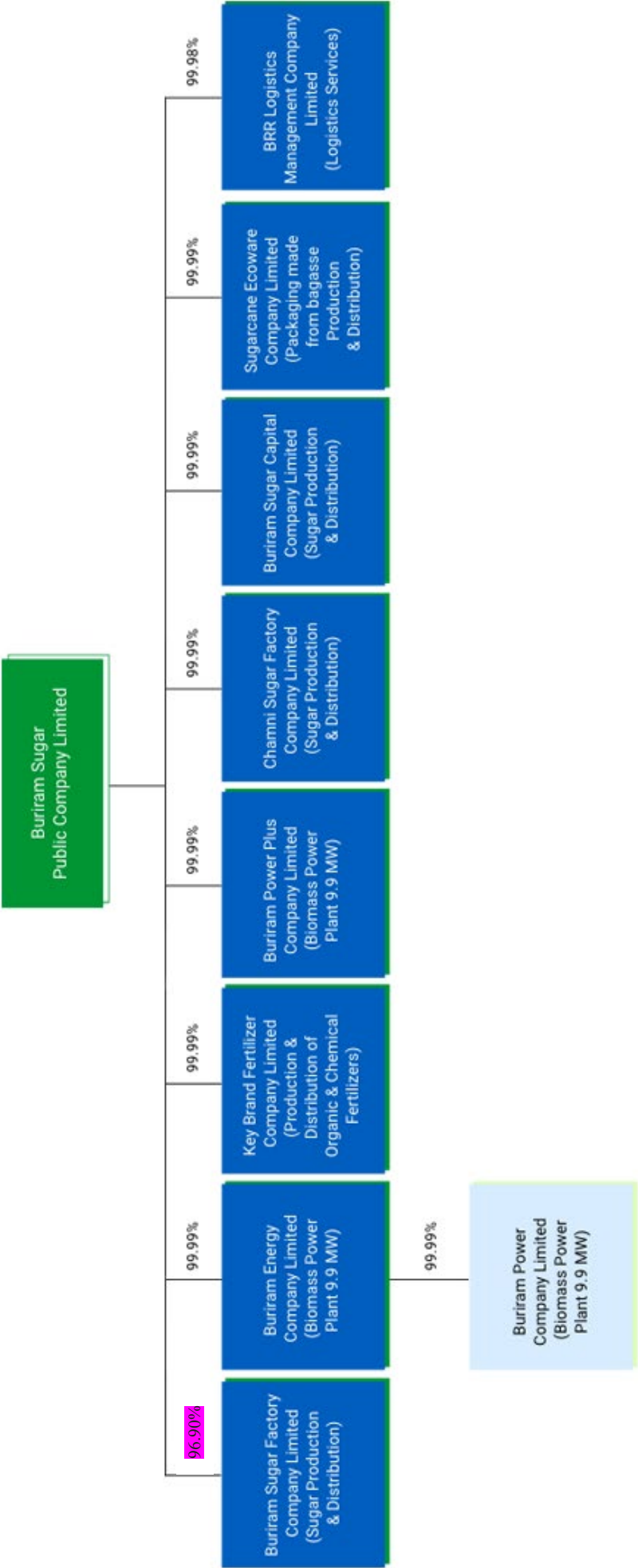
In 2020, Buriram Sugar Public Co., Ltd. and its subsidiaries changed their organization structure that Buriram Sugarcane Research and Development Co., Ltd. (“BRD”) transferred its entire business to Sugar Factory Co., Ltd. with all its business assets, liabilities, rights. BRD registered for closing of Company to the Ministry of Commerce on September 30, 2020, but still in the process of the completeness of liquidation. In this regard, the objective is to reduce costs and unnecessary taxes by receiving tax benefits of entire business transfer.

### **1. 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.

Besides from the logistics service provider of the Buriram Sugar Public Co., Ltd., and its subsidiaries, BRLM also provides the services to outsiders with the full-service logistics networks. Therefore, BRLM has ability to deliver efficient, quick, and timely services to customers. At the present, this is regarded as the key factors in competitiveness, which consist of the strength of costs management, transportation services trading in business to business (B2B) such as return transportation management and multi modal transportation including railway transport as well as understanding of time management in waiting for the products after customers placing their orders from sellers that are delivered by the network groups of professional logistics providers for each route and region in the country. This is to ensure that customers will be delivered with excellent services and satisfaction towards logistics management of the Company.

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



Relationship of Major Shareholders' Business Group

-None-

## **Shareholding Structure of the Subsidiaries of Buriram Sugar Public Co., Ltd.**

Buriram Sugar Public Company Limited is a holding company which consists of 9 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	2,114.49 <sup>(1)</sup>	96.90	Sugar Manufacturing and Distributing	Core Business	78.32* (67.85)**
Chamni Sugar Factory Company Limited	186.00 <sup>(2)</sup>	99.99	Sugar Manufacturing and Distributing (Not Operated Yet)	Subsidiary	N.A. **** (1.73)**
Buriram Sugar Capital Company Limited	64.00 <sup>(3)</sup>	99.99	Sugar Manufacturing and Distributing (Not Operated Yet)	Subsidiary	N.A. **** (0.73)**
<b>Residue from Sugarcane Plantation and Sugar Production Business</b>					
Buriram Energy Company Limited	135.60	99.99	Biomass Power Plant	Subsidiary	5.03* (6.17)**
Buriram Power Company Limited***	170.00	99.99	Biomass Power Plant	Subsidiary	5.12* (7.98) **
Buriram Power Plus Company Limited	340.00 <sup>(4)</sup>	99.99	Biomass Power Plant	Subsidiary	0.00* (6.44) **
Key Brand Fertilizer Company Limited	15.00	99.99	Organic and Chemical Fertilizers and Potting Soils Manufacturing and Distributing	Subsidiary	0.00* (2.29) **
Sugarcane Ecoware Company Limited	285.00 <sup>(5)</sup>	99.99	Bagasse pulp and packaging Manufacturing and Distributing	Subsidiary	N.A. **** (6.42) **
<b>Supporting Business</b>					
BRR Logistics Management Company Limited	3.00	99.98	Logistics service business	Subsidiary	N.A. **** (0.01)**

### **Remark:**

\* Sizes of Subsidiary on the Holding Company are calculated by revenue of the subsidiary's core business divided by 2020 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 2020

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

(1) Increased registered capital to 2,114,492,600 Baht from the existing registered capital of Baht 1,050,000,000 in June 2020.

(2) Increased registered capital to 186,000,000 Baht from the existing registered capital of Baht 5,000,000 in June 2020.

(3) Increased registered capital to 64,000,000 Baht from the existing registered capital of Baht 10,000,000 in June 2020.

(4) Increased registered capital to 340,000,000 Baht from the existing registered capital of Baht 160,000,000 in June 2020.

(5) Increased registered capital to 285,000,000 Baht from the existing registered capital of Baht 75,000,000 in June 2020.

### 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 BRR and its subsidiaries 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> <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> </ul>

Year	Major Events
	<ul style="list-style-type: none"> <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 market workshop, advise from related organization, plague of honor, etc.</li> </ul>
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>

Year	Major Events
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> <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 of the Company group within BRR and its subsidiaries 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 Public Co., Ltd and its subsidiaries 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 BRR and its subsidiaries was officially operated on December 1, 2016.</li> </ul>

Year	Major Events
	<ul style="list-style-type: none"> <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> <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 Bath, and already paid-up 812,099,845 Baht on May 29, 2017 to facilitate the common stock dividend payment to the company's shareholders.</li> <li>The Securities and Exchange Commission approved to set up the Buriram Sugar Public Co., Ltd and its subsidiaries Power Plant Infrastructure Fund (BRRGIF) on August 1, 2017, and offering of investment units totaling of 350 Million Units with the last offering price and par value per unit by 10.30 Baht. The amount of first offering of investment units was equivalent to 3,605 Million Bath, and such infrastructure fund trading in the Stock Exchange of Thailand was firstly operated on August 7, 2017.</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> <li>BRR was assessed as <b>"Excellent" with an average score of 93%</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>that it's score is higher than the average score of the overall listed companies.</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> </ul>

Year	Major Events
	<ul style="list-style-type: none"> <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 (“BRLM”), 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>
2020	<ul style="list-style-type: none"> <li>BRR firstly was selected as one of the 2020 Thailand Sustainability Investment “THIS” or Thailand Sustainability Investment List in 2020 as the agro-industry and food business.</li> <li>BRR is rated “Excellent” with the average score of 94% for the 3<sup>rd</sup> consecutive year 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 2020, carried out by the Thai Institute of Directors Association (IOD).</li> <li>BRR changed the organization structure of the Company group by transferring the entire business of its subsidiary, Buriram Sugarcane Research and Development Co., Ltd. (“BRD”) transferred its entire business to Sugar Factory Co., Ltd. (“BSF”) and BRD registered for closing of Company to the Ministry of Commerce on September 30, 2020.</li> </ul>

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

Buriram Sugar Public Co., Ltd and its subsidiaries (“the Company group”) has set short-term and long-term business goals including the sustainable business goal according to the vision and mission as planned. Moreover, in order to manage and operate the business smoothly during the times of COVID-19 outbreak, the Company group has founded Business Continuity Plan (BCP) with the working team. This plan particularly emphasizes on human resource management, surrounding local communities, other stakeholders, and the business operations in terms of production, distribution, and financial management, etc.

##### a. **Short-term Goal**

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

The Company set the goal to create the prosperity in terms of yield and to make better life for sugarcane farmers by supporting the sugarcane farming and expanding the plantation more than 250,000 Rai 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 BRR and its subsidiaries 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.

Due to the aforementioned management, the 2019/2020 crop year of Thailand and Southeastern region still underwent drought. It is noted that the quantity of cane crushing was at 1.79 million tons, but CCS. at 13.75 and the sugar production per tons of sugarcanes at 121.92 kilograms per tons of sugarcanes. Commercial Cane Sugar (“C.C.S.”) value was able to be reserved in order to provide higher quantity of sugar whereas sugarcane crushing quantity decreased.

However, the Company has never stopped developing in these issues because it is clearly understood that the source of raw materials is recognized as the most significant components for sugar business and residue from sugarcane plantation and sugar production business. Accordingly, the Company has set its goals to increase the amount of sugarcane crushing from 1.75 million tons to 3.0 million tons within the year 2025.



#### **Investment Expansion, Value Addition to Products and Residue from Sugarcane Plantation and Sugar Production Business Development**

In the crop year of 2019/20, the Company manufactured and distributed refined sugar 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. Nevertheless, the Company has prepared itself with the supporting systems and power generation technologies, the readiness of community enterprise and other relevant documentations in the event that the government sector opens for the submission of proposal to take into account the qualifications of small power producers for receiving power sales in Quick Win project.

As the business for producing packaging, appliances, devices made from bagasse including pulp, operated by Sugarcane Ecoware Company Limited (“SEW”), it has commercially operated since the first quarter of 2020 year 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. Due to the impact of the COVID-19 outbreak, the Company is not able to achieve its export target and therefore required to adapt its marketing strategy to increase sales in domestic marketplace in order to compensate for the loss of export sales, but it is inadequate. As a result, the investment is not fully redeemed.

At the end of the year 2020, given that the COVID-19 pandemic situation was resolved, foreign customers accessed to monitor and evaluate the production processes of the Company. Currently, it is under an additional stage of commercial negotiation process. Regarding pulp production plans, the Company has established a small pulp mill for the research and experiments of bagasse-based pulp.

production to be completed within the year of 2020. Meanwhile, the Company also has established a large pulp mill so as to manufacture bagasse-based pulp used as the raw material for its own packaging production factory. The construction of mill is expected to be completed by the third quarter of 2021. If the Company has the ability to make its own pulp, it will enable lower material costs.

#### **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 residues from sugarcane plantation and sugar production 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, marijuana, hemp and other products that are able to increase revenue and create the business sustainability, including new business line which can create value added to BRR and its subsidiaries.

#### **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, BRR and its subsidiaries commits to develop these 5 sectors as follows:

##### **1. Human Resource Development**

Employees are very important human resources for the business development therefore BRR and its subsidiaries 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, Code of Conduct Handbook and Anti-Corruption Policy” in order to recognize the priority on stakeholders as well as generate self-awareness on the social responsibility by participating the relevant activities.

Additionally, BRR and its subsidiaries 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**

BRR and its subsidiaries 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 the Company group 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. the Company group 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.

the Company group 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

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

Additionally, the Company group 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 BRR and its subsidiaries 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, the Company group prioritize the development of research, innovation and modern technology to develop, improve and strengthen the potentiality for the Company group and sugarcane farmers. the Company group have 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, the Company group have conducted the research 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, the Company group 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. Recently, the Company’s specialist has conducted the research in terms of bagasse-based pulp production and if the Company has the ability to make its own pulp, it will enable lower material costs.

## **Community and Environmental Development**

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

**Community Development:** The Company group has set the important mission to enhance the life quality of people in the community through the knowledge management and the career support; therefore, the Company group 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, the Company group has developed and supported the education for children and the schools located in the surrounding area of the Company group as well.

In 2020, the Company established S.N.T, a community enterprise, in cooperation with the neighboring communities such as Sao Ae, Non Klang and Non Tao Thong, with the aim to increase profits and build the strength among people in the communities. Because corporate

social responsibility is the key to lead BRR to sustainable development path in parallel with the improvement of cane growers, nearby communities' members, and staff standard of living.

**Environmental Development:** the Company group 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 the Company group in order to generate the unity and create the public consciousness on local environmental conservation.

#### 4. 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 the Company group have prioritized and developed constantly. the Company group 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 2020, 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.

However, the company received a Collective Action Coalition Against Corruption or CAC on June 7, 2018. At present, the Company has been preparing to renew its membership within the first quarter of 2021, highlighting the risks and the effectiveness of internal audit measures in order to affirm its determination on anti-corruption.

On account of overseeing and monitoring the compliance with the good corporate governance, this led to the result of being assessed as "Excellent" (for 3 consecutive years in 2018, 2019, and 2020) with the average score of 94% 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).

Achieving the long-term goals in sustainable development and business operations with the five main categories, the Company has been selected from the Stock Exchange of Thailand and firstly listed as "THSI" or the 2020 Thailand Sustainability Investment List as the agricultural-industry and food business and also selected as one of 124 listed companies which have been chosen for the list, reflecting the Company's commitment to the development of sustainable business that prioritize Social, Environment, and Governance (ESG) principle in operational business processes and the Company, therefore, has continually strived towards on sustainable development.



**(1) Revenue Structure of Buriram Sugar Public Co., Ltd. and its subsidiaries**

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

	As at December 31					
	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>1. Revenue from sale and service</b>						
<b>1.1 Revenue from sugar and molasse sales</b>						
<b>1.1.1 Sugar</b>						
<b>Domestic Sale</b>						
Brown Sugar	658.77	11.27	563.69	13.97	771.31	19.12
Refined Sugar			195.91	4.86	78.30	1.94
Raw Sugar			259.41	6.43	393.85	9.76
<b>Total Revenue from Sugar Domestic Sale</b>	<b>658.77</b>	<b>11.27</b>	<b>1019.01</b>	<b>25.26</b>	<b>1,243.46</b>	<b>30.83</b>
<b>Foreign</b>						
White Sugar	-	-	20.34	0.50	-	-
Raw SUGAR	3207.49	54.88	2,358.00	58.46	1,340.57	33.23
Refined Sugar			188.63	4.68	217.81	5.40
<b>Total Revenue from Sugar Foreign Sale</b>	<b>3207.49</b>	<b>54.88</b>	<b>2,566.97</b>	<b>63.64</b>	<b>1,558.38</b>	<b>38.63</b>
<b>Total Revenue from Sugar Sale</b>	<b>3,866.26</b>	<b>66.15</b>	<b>3,585.98</b>	<b>88.90</b>	<b>2,801.84</b>	<b>69.46</b>
<b>1.1.2 Molasses</b>						
Domestic Sale	499.28	8.54	403	9.99	247.06	6.12
<b>Total Revenue from Molasses Sale</b>	<b>499.28</b>	<b>8.54</b>	<b>403</b>	<b>9.99</b>	<b>247.06</b>	<b>6.12</b>
<b>Total Revenue from Sugar and Molasses Sale</b>	<b>4,365.54</b>	<b>74.69</b>	<b>3,988.98</b>	<b>98.89</b>	<b>3,048.90</b>	<b>75.59</b>
1.2.1 Revenue from Electricity Sale	556.57	9.52	478.58	11.86	362.86	9.00
1.2.2 Revenue from Fertilizer Sale	370.71	6.34	375.47	9.31	317.35	7.87
1.2.3 Revenue from Sale and Service	263.15	4.50	143.83	3.57	140.10	3.47
1.2.4 Revenue from Bagasse Products (Domestic Sale)					20.10	0.50
1.2.5 Revenue from Bagasse Products (Foreign Sale)					3.18	0.08
<b>Total Revenue from other related business</b>	<b>1,190.43</b>	<b>20.37</b>	<b>997.88</b>	<b>24.74</b>	<b>843.59</b>	<b>20.91</b>
<b>Total Revenue from Sale and Service</b>	<b>5,555.97</b>	<b>95.06</b>	<b>4,986.86</b>	<b>123.63</b>	<b>3,892.50</b>	<b>96.50</b>
<b>2. Other Revenues</b>	<b>253.05</b>	<b>4.33</b>	<b>123.27</b>	<b>3.06</b>	<b>154.55</b>	<b>3.83</b>
<b>3. Profit (Loss) from Exchange Rate</b>	<b>35.79</b>	<b>0.61</b>	<b>8</b>	<b>0.20</b>	<b>-</b>	<b>0.33</b>
<b>Total</b>	<b>5,844.81</b>	<b>100</b>	<b>5,118.13</b>	<b>126.88</b>	<b>4,033.73</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 the Company group 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.

#### Awards and Quality Certifications



ISO 9001:2015 – Quality  
Management System



Good Manufacturing  
Practice (GMP)



Hazard Analysis and Critical Control Points  
(HACCP)



Good Manufacturing  
Practice in Quality Safety  
Production (GMP)



Hazard Analysis and Critical Control Points  
(HACCP)

- The Quality Standard of Plant Product Factory Certificate  
Department of Agriculture, Ministry of Agriculture and Cooperatives
- The Quality Standard of Agricultural Processing Factory  
Certificate  
Department of Agriculture, Ministry of Agriculture and Cooperatives
- Food Safety Certification (Food and Drug Administration)
- Thai Industrial Standard Sugar Product Certification (TIS 56-2552)



Halal Food Certification



Environmental Good  
Governance Award



Green Industry – Level 2  
(Green Activity)



Green Industry – Level 3  
(Green System)



Water Footprint for Sustainable Water Management Certificate in Food Industry for Export and Trading



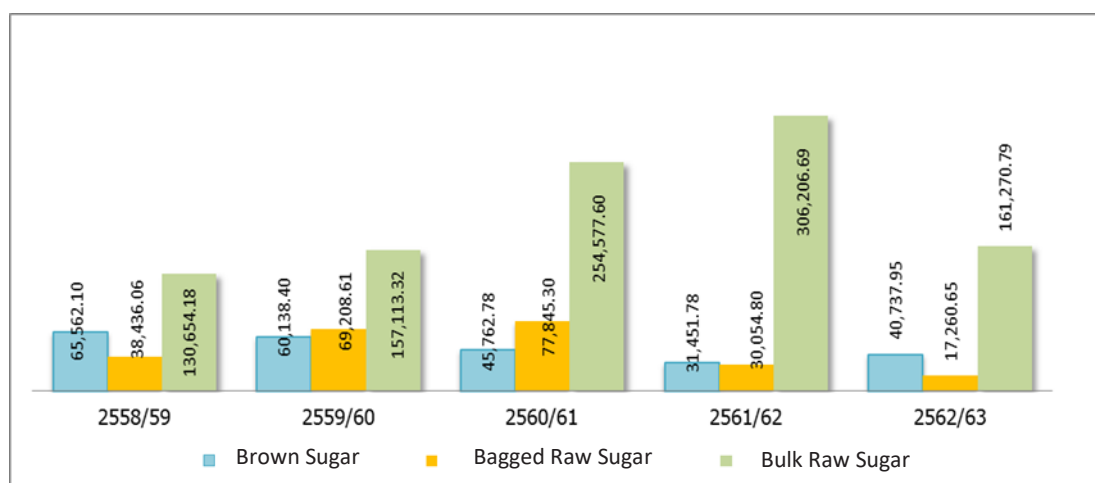
Carbon Footprint Reduction Label Scheme Certification 2016-2020

## 2.1 Product and Service

BSF can produce sugar classified by type and purity of sugar into 3 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. In addition, sugar production process can produce residue from sugarcane plantation and sugar production 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, extremely 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*

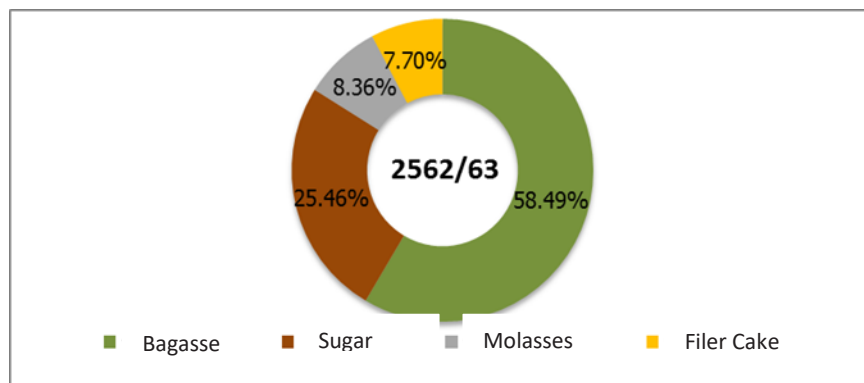
Products	ICUMSA Unit	Polarization (%)	Moisture (%)
Bulk Raw Sugar	≥1,001	≥96.00	≤ 0.6
Very high polarization sugar (VHP)	1,000 – 1,500	99.20 - 99.49	≤ 0.2
W3 Sugar	401 – 1,000	≥ 99.20	≤ 0.1
Premium Sugar	≥ 1,000	≥ 99.20	≤ 0.2
W1 Sugar	≤ 200	≥ 99.50	≤ 0.10
Refined Sugar	≤ 45	≥ 99.80	≤ 0.04

### The products from residues from sugarcane plantation and sugar production

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 residue from sugarcane plantation and sugar production which produces 600 tons of molasses, 3,800 tons of bagasse and 600 tons of filter cake.

In 2019/20 crop year, the quantity of cane crushing was approximately 1.79 million tons which could produce 219,269.39 tons of sugar and also residue from sugarcane plantation and sugar production namely 71,994.20 tons of molasses, 503,784.17 tons of bagasse and 66,305.13 tons of filter cake.

#### *Proportion of Sugar and Residue from sugarcane plantation and sugar production*



Hence, the physical characteristics and utility of residue from sugarcane plantation and sugar production are as follows:

#### ■ **Molasses**

Molasses is a residue from sugar processing 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 a residue from cane crushing process which 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 and purchases the electricity which is left from being purchased by Provincial Electricity Authority (“PEA”) to use in sugar manufacturing factory.

- **Filter cake**

Sugarcane filter cake (press mud) is a residue 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 to use as the main raw material in fertilizer production and distributes to Buriram Sugar Factory Company Limited (“BSF”) 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 residue 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, the Company group 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**

Buriram Sugar Co., Ltd. (“BSF”) has experiences in sugar production and distribution more than 57 years. Procurement department is established for raw materials management by promoting and supporting sugarcane farmers to ensure the business competitive advantage. the Company group has determined the strategy upon goal-oriented promotion leading to achievement together with the development of human resources and sugarcane farmers. In addition, there are new research and development on sugarcane quality for higher output, experiment and examination of sugarcane variety for productivity, pest and disease resistance, productivity of ratoon sugarcanes suitable for the plantation areas in Buriram, and management of pest and plant disease with bio method. These have been extended to sugarcane farmers, and establishing their network to manage the sugarcane pest problem. Moreover, the Company group 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 BRR and its

subsidiaries' 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 sugarcane, factors of production, financial support and so on, helping for consideration on such operations.

### Supportive Areas

Most of supportive areas for growing sugarcane are located 40-kilometer radius around the manufacturer. Most of the areas were rice plantations but provided less output (highland). The agriculturalist has adjusted their ways of life and applied the land for sugarcane plantation instead. Such land is suitable for growing sugarcane 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 sugarcane 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	2021/22
Contract Farming (Persons)	11,587	11,023	11,780	11,749	10,253	8,055	10,000
Sugarcane Fields (Rai)	189,381.90	185,112.91	239,523	238,074	197,568.76	161,743.35	210,000
Cane Crushed (Tons)	2,060,649.65	2,212,736.63	3,154,586.44	2,931,277.02	1,800,000	1,700,000	2,500,000
CCS. (%)	13.45	13.18	13.71	13.61	13.60	13.75	13.80
Sugar Yield	117.06	112.59	119.88	120.54	120.00	122.00	122

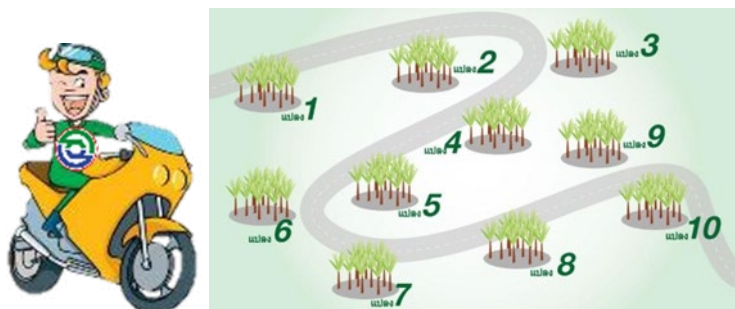
**Remark:** - Crop Year 2020/21 is a forecast since currently the factory is crushing the cane.

## 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

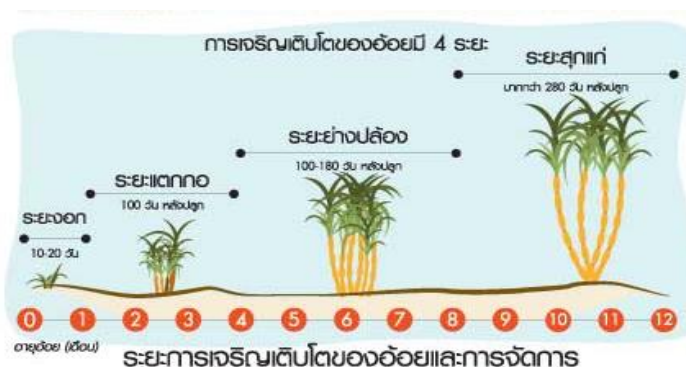
knowledge and studying the sugarcane production, monitoring the agricultural activities as considered one of the operational procedures in order to enable the company to access the information status of sugarcane plantation, sugarcane growth level in order to take rectified immediately with the along-the-route 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

Procurement department 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 Procurement Department'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:

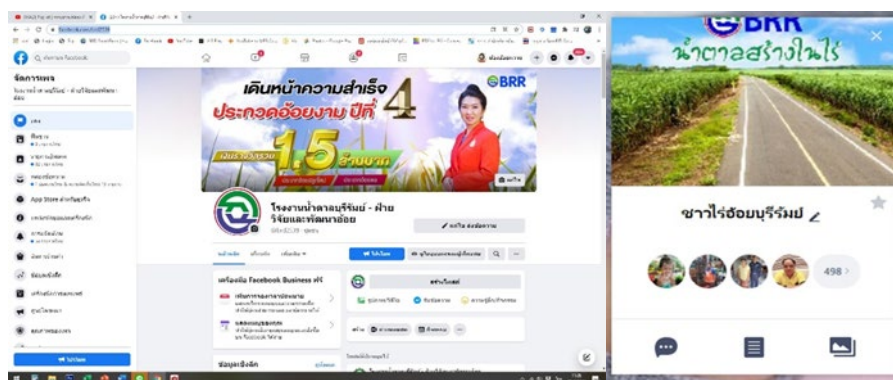
- Sugar made in the fields
- Building the network “Strong Agriculturist -Businessman Network”
- Using GIS (Geographic Information System) and MIS (Management Information System) to enhance the productivity
- Monitoring individual sugarcane plantation for earning the maximum value from resources at each 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 2019, Procurement department 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, Procurement department has various communication channels for providing news and useful activities for sugarcane farmers such as FM 92.0 MHz radio, social network: Facebook, Line group , leaflet, journals and so on.



## 6. Research and Development for Capability of Sugarcane Production

Procurement department 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

Procurement department 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**

Procurement department has established the research center 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**

Procurement department 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 sugarcanes, and sugarcane roots can anchor into the soil which contains nutrients. Hence, the company has developed the fertilizer formula suitable for soil condition for planting sugarcanes with the soil analysis information gathered from 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 26% in 2019/20. 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

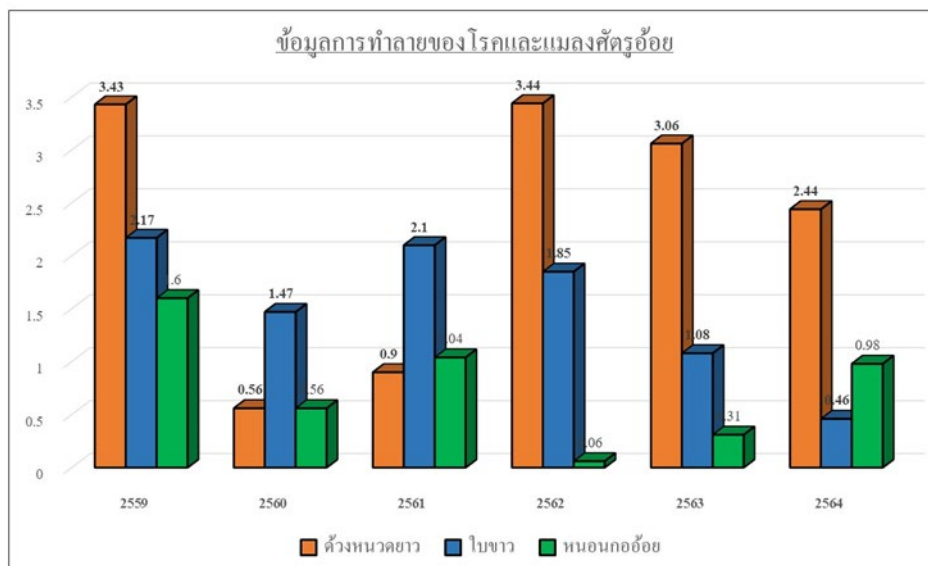
*Useful Pests and Fungus to Protect and Eliminate Harmful Pests*



*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 sugarcanes and enhancing sugarcane farmers'

competency. So that knowledge transferring and new technologies must have effective and appropriate tools and process. In 2019/20, 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 of the Company such as the training projects which include providing knowledge in terms of improving the efficiency of soil and fertilizer, and using equipment for soil preparation and sugarcane nourishment as well as the increase of productivity, etc.

##### ***Trainings for Human Resources Development***



The development in terms of Academic Knowledge and Technologies for Sugarcane Farmers. As a result, the sugarcane farmers have earned the awards in 2020 as follows:



**Mr. Amorn Throngpat**

**Awards/Certificates:** Excellent sugarcane farmer in 2020, as the Runner-up award for the efficient management of the production factors in the category of water management Group No. 1 (planting area 1-59 Rai)

**Given/Certified by:** Office of The Cane and Sugar Board

**Description:** Award given to sugarcane farmers who have knowledge and ability in water management with efficient use of water. There is a storage of soil moisture and high productivity when there is a water supply system.



**Mrs. Taen Kaenoi**

**Awards/Certificates:** Excellent sugarcane farmer in 2020, as the Runner-up award for the efficient management of the production factors in the category of water management Group No. 1 (planting area 1-59 Rai)

**Given/Certified by:** Office of The Cane and Sugar Board

**Descriptions:** Award given to sugarcane farmers who have knowledge and ability in the management of sugarcane species in terms of quality.



**Mrs. Noom Saomun**

**Awards/Certificates:** Excellent sugarcane farmer in 2020, as the first runner-up award for the excellence of sugarcane yield and quality, Group 1 (planting area 1-59 Rai)

**Given/Certified by:** Office of The Cane and Sugar Board

**Descriptions:** Award given to sugarcane farmers who have excellent sugarcane yield and quality by cutting more than 85% of fresh sugarcanes of total, quality of sugarcane, high sweetness value, and high productivity (Tons/Rai)



**Mrs. Pinprapa Somngam**

**Awards/Certificates:** Excellent sugarcane farmer in 2020, as the first runner-up award for the efficient management of the production factors in the category of soil and fertilizer management Group 1 (planting area 1-59 Rai)

**Given/Certified by:** Office of The Cane and Sugar Board

**Description:** Award given to sugarcane farmers who have knowledge of soil and fertilizer, soil conservation, the efficiency of fertilizer uses in sugarcane plantation, and high productivity (Tons/Rai)

## 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. There is the campaign on preventing child labor at sugarcane planting promotion areas so that accidents can be avoided, and in accordance with the laws and Labor Act.



## 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.

**BSF เต็มโคโลไม่ได้ถึงดับก็ยังไม่ยอม**  
"ให้" ร. ๓๓๓ (๒๒-๒๓-๒๔) ๒๒-๒๓-๒๔

**ในอ้อยมีธาตุ**  
ธาตุอาหารหลัก ๓ ชนิด  
ธาตุอาหารรอง ๑๕ ชนิด  
ธาตุอาหารเสริม ๑๕ ชนิด

**ธาตุอาหารหลัก**  
N (ไนโตรเจน)  
P (ฟอสฟอรัส)  
K (โพแทสเซียม)

**ธาตุอาหารรอง**  
Ca (แคลเซียม)  
Mg (แมกนีเซียม)  
S (กำมะถัน)

**ธาตุอาหารเสริม**  
B (โบรอน)  
Cu (ทองแดง)  
Fe (เหล็ก)  
Mn (แมงกานีส)  
Zn (สังกะสี)  
Mo (โมลิบดีนัม)

**BSF ความสำคัญของปุ๋ยอินทรีย์**

✓ ช่วยเพิ่มธาตุอาหาร  
✓ ช่วยเพิ่มปริมาณน้ำในดิน  
✓ ช่วยเพิ่มปริมาณธาตุอาหารในดิน  
✓ ช่วยเพิ่มปริมาณธาตุอาหารในดิน  
✓ ช่วยเพิ่มปริมาณธาตุอาหารในดิน

**ปุ๋ยอินทรีย์**  
ปุ๋ยอินทรีย์  
ปุ๋ยอินทรีย์  
ปุ๋ยอินทรีย์  
ปุ๋ยอินทรีย์

**BSF ปุ๋ยอินทรีย์แบบใหม่คือที่ใส่**  
เปรียบเทียบการปลูกอ้อยแบบต่างๆ

1. ปุ๋ยอินทรีย์แบบใหม่  
2. ปุ๋ยอินทรีย์แบบเก่า  
3. ปุ๋ยอินทรีย์แบบผสม

**ปุ๋ยอินทรีย์แบบใหม่**  
ปุ๋ยอินทรีย์แบบเก่า  
ปุ๋ยอินทรีย์แบบผสม

**BRR 30 ตัน/ไร่**  
อ้อยหวาน 30 ตัน/ไร่

**อ้อยหวาน 30 ตัน/ไร่**  
อ้อยหวาน 30 ตัน/ไร่

**BSF ปิดกิจกรรมแปลง**  
เป้าหมาย 30 ตัน/ไร่

**เป้าหมาย 30 ตัน/ไร่**  
เป้าหมาย 30 ตัน/ไร่

**BSF อ้อยปีนี้ราคาดี!**  
ทิศทางราคาอ้อยปี 63/64

**ทิศทางราคาอ้อยปี 63/64**  
ทิศทางราคาอ้อยปี 63/64

**BRR วารสารอ้อยหวาน**  
วารสารอ้อยหวาน

**วารสารอ้อยหวาน**  
วารสารอ้อยหวาน

**BSF อ้อยหวาน 30 ตัน/ไร่**  
อ้อยหวาน 30 ตัน/ไร่

**อ้อยหวาน 30 ตัน/ไร่**  
อ้อยหวาน 30 ตัน/ไร่

**BSF ปิดกิจกรรมแปลง**  
เป้าหมาย 30 ตัน/ไร่

**เป้าหมาย 30 ตัน/ไร่**  
เป้าหมาย 30 ตัน/ไร่

**BSF อ้อยปีนี้ราคาดี!**  
ทิศทางราคาอ้อยปี 63/64

**ทิศทางราคาอ้อยปี 63/64**  
ทิศทางราคาอ้อยปี 63/64

**BRR วารสารอ้อยหวาน**  
วารสารอ้อยหวาน

**วารสารอ้อยหวาน**  
วารสารอ้อยหวาน

**BSF อ้อยหวาน 30 ตัน/ไร่**  
อ้อยหวาน 30 ตัน/ไร่

**อ้อยหวาน 30 ตัน/ไร่**  
อ้อยหวาน 30 ตัน/ไร่

**BSF ปิดกิจกรรมแปลง**  
เป้าหมาย 30 ตัน/ไร่

**เป้าหมาย 30 ตัน/ไร่**  
เป้าหมาย 30 ตัน/ไร่

**BSF อ้อยปีนี้ราคาดี!**  
ทิศทางราคาอ้อยปี 63/64

**ทิศทางราคาอ้อยปี 63/64**  
ทิศทางราคาอ้อยปี 63/64

**BRR วารสารอ้อยหวาน**  
วารสารอ้อยหวาน

**วารสารอ้อยหวาน**  
วารสารอ้อยหวาน

**BSF อ้อยหวาน 30 ตัน/ไร่**  
อ้อยหวาน 30 ตัน/ไร่

**อ้อยหวาน 30 ตัน/ไร่**  
อ้อยหวาน 30 ตัน/ไร่



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 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. Moreover, the Company group has prioritize the development of products and packaging including sizes and different patterns which response to the consumer's needs – by bringing choices to customers under trademark “Double Key” and retail trade under trademark “BRUM” for distributing the products to the consumers group through distribution channels 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 is the important 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

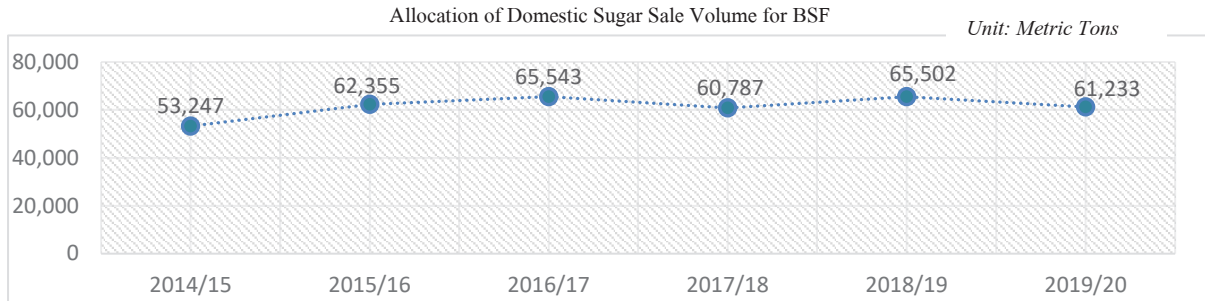
The sugar distribution channel which is both domestic and overseas has designated the targeted customers and proportion of the types of products in each distribution channel. The proportions of revenue from sugar selling in domestic and overseas of 2017-2020 are as below

*Revenues of Domestic Sugar Sales and Export Sales*

	2017		2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
<b>Domestic Sales</b>								
Brown Sugar	1,144.94	19.42	658.77	11.27	563.69	13.98	773.41	19.18
Refined Sugar					195.91	4.86	78.30	1.94
Raw Sugar					259.41	6.43	393.85	9.77
<b>Export Sales</b>								
White Sugar	6.67	0.11	-	-	20.34	0.50	-	-
Raw Sugar	3,114.99	52.83	3,207.49	54.88	2,358.00	58.48	1,340.57	33.25
Refined Sugar					188.63	4.68	217.81	5.40
<b>Total</b>	<b>4,266.60</b>	<b>72.37</b>	<b>3,866.26</b>	<b>66.15</b>	<b>3,585.98</b>	<b>70.06</b>	<b>2,803.95</b>	<b>69.54</b>

## 1. Domestic Sales

The domestic sugar distribution – crop year of 2019/2020 with storage of 2,318,069 tons or 23,180,686 sacks throughout the country. Whereas from January – December 2020, Buriram Sugar Factory Co., Ltd. (“BSF”) has the domestic sugar distribution in amount of 61,233 tons or 612,330 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” and “BRUM” that have various sizes of packaging.

### Proportion of domestic sugar sale volume in each distribution channel in 2020

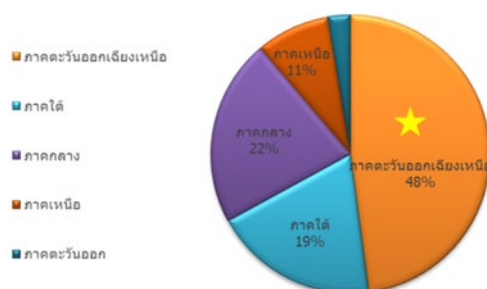


#### 1.1 Distributors (Yee-Pua)

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 2020

ปริมาณจำหน่ายน้ำตาลทรายภาค ปี2563



### 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 pro motion 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” and “BRUM” upon releasing to the market.

#### Packaging size of brown natural sugar “Double Key”;

1. 50 kilograms
2. 25 kilograms
3. 1 kilogram each in 50 bags
4. 1 kilogram each in 25 bags
5. 500 grams each in 50 bags



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

1. 250 grams each in 12 bags

#### **Packaging size of natural pure cane sugar specialized “BRUM”**

1. 300 grams each in 25 bags

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

1. 50 kilograms
2. 25 kilograms
3. 1 kilogram each in 25 bags

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

1. 250 grams each in 12 bottles



In 2020, the Company has planned to produce and distribute natural brown sugar and refined sugar contained in the packaging bottle which is designed by considering convenient and clean functions under the trademark “BRUM” created to target restaurants (food services) and modern trade. Also, one kilogram of white sugar weighing 25-kilogram packaging sack is manufactured and distributed to expand customer bases, create diversities, and add value to the 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 9 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, Czarnikow, 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.

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

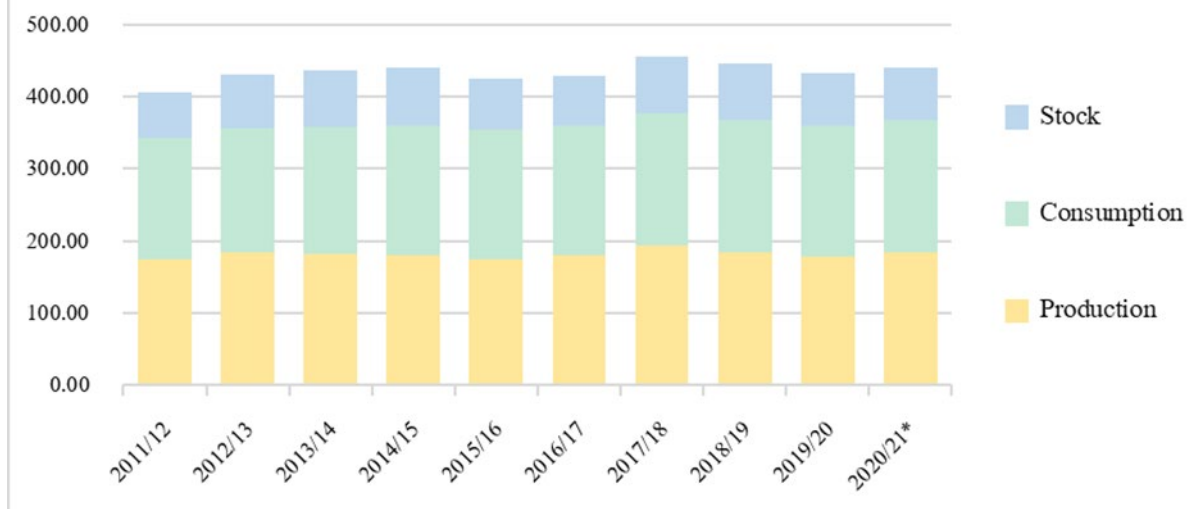
Unit: million tons, raw value

	Production, Consumption and Stock (October - September)									
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*
Production	174.36	184.18	181.51	180.64	174.17	179.63	194.21	184.66	178.48	183.43
Consumption	168.10	171.67	175.95	178.68	179.62	180.19	182.59	182.95	181.14	184.27
Stock	63.96	74.23	78.85	80.20	71.28	69.21	78.88	78.93	73.33	71.64

Source: World Sugar Balances 2011/12 – 2020/21 F.O. Licht's International Sugar and Sweetener Report, 28.09.2020

Notes: \*Forecast

## Global Sugar Demand and Supply



The 2019/20 crop year has remained a volatile period in terms of world sugar price due to the support of sugar export subsidies from India's government and the sugar surplus, despite lower production. There is still the expectation of the global sugar production from various sectors. While recovering global sugar price to a level at 15 cents/pound in the start of the year, India announced the subsidies of sugar export. As result of this, industry estimates pointed to a global sugar surplus, leading to a decrease of sugar price during the month of March to April in 2020 and reaching the lowest point at 9.05 cents/pound in the end of April in 2020. However, overall, the global sugar price was higher after these situations, thanks to raising the forecast for a word sugar deficit which is due to lower sugar production and price. And apart from that Thailand is currently facing a drought, causing losses approximately 50 percent of sugar output compared with the 2018/19 crop year.

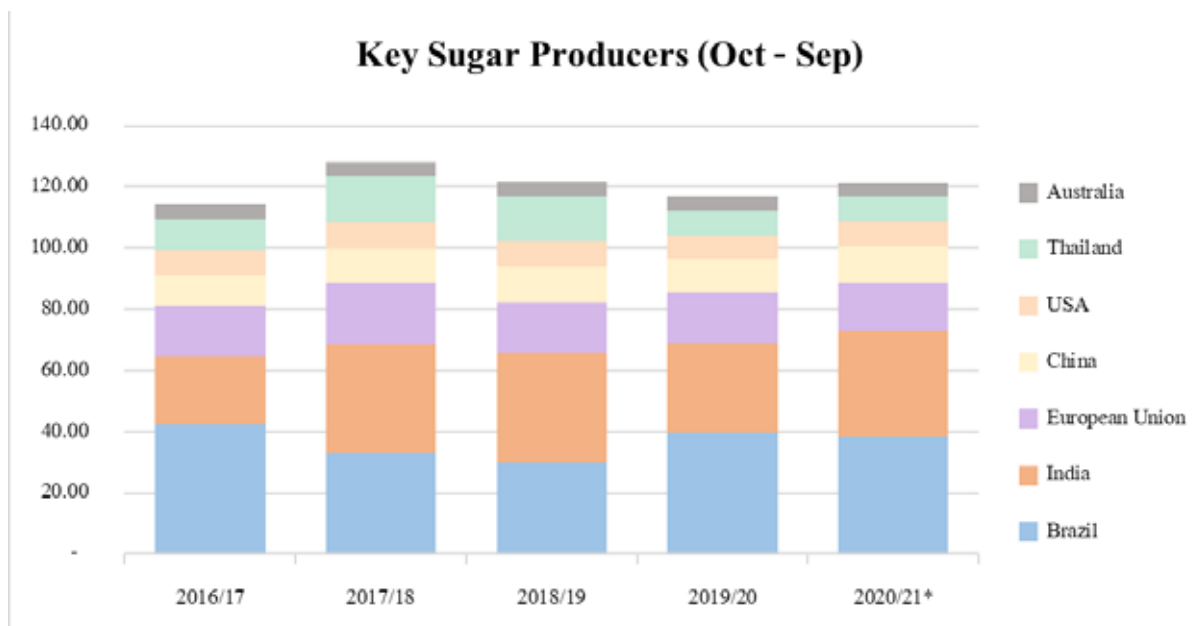
### 1.2) Global Sugar Production

Unit: million MT, raw value

Major Producers	Sugar Production (October - September)				
	2016/17	2017/18	2018/19	2019/20	2020/21*
Brazil	42.39	33.27	29.85	39.48	38.42
India	22.13	35.30	35.82	29.50	34.50
European Union	16.52	20.00	16.66	16.33	15.88
China	10.10	11.21	11.70	11.32	11.60
USA	8.13	8.43	8.17	7.25	8.44
Thailand	10.30	15.03	14.87	8.47	8.00
Australia	4.71	4.78	4.55	4.44	4.49

Source: World Sugar Balances 2011/12 – 2020/21 F.O. Licht's International Sugar and Sweetener Report, 28.09.2020

Notes: \*Forecast



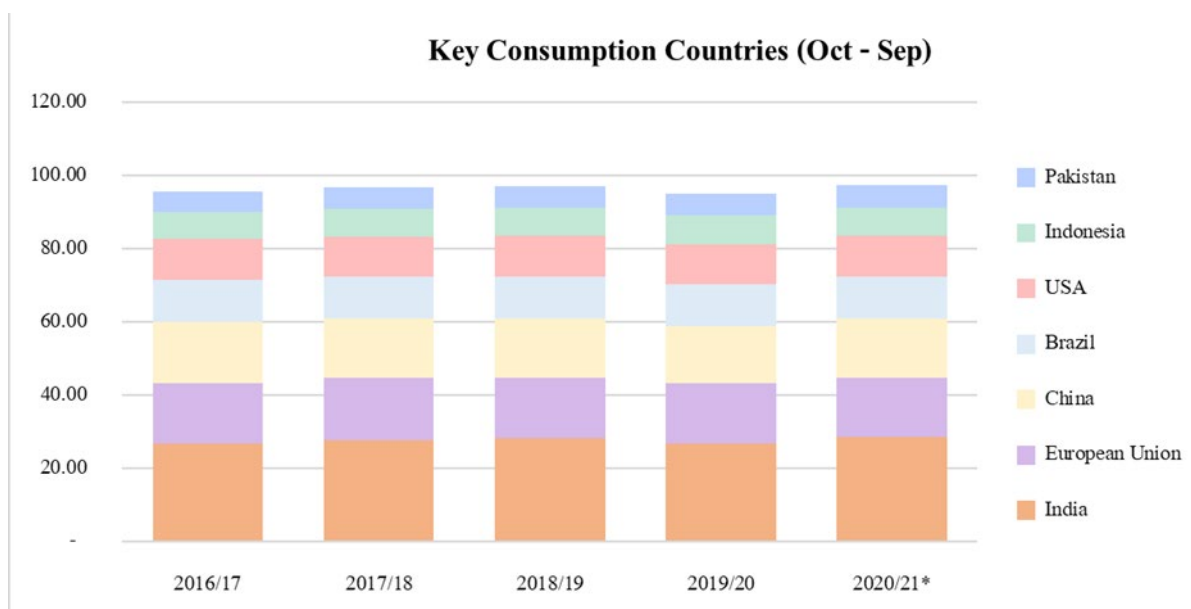
In the 2019/20 crop year, Brazil regained its place as the world's largest sugar producer due to higher production volumes from 2018/19 year. Brazil reduced its production in sugar because of the gap between ethanol prices compared with sugar. This has led to the global growth trends in ethanol production for manufacturers and India reducing sugar production. But analysts still think that Brazil and India's total sugar output will be similar to 2020/2021 sugar season due to a recovery in global sugar prices. This was driven by several factors, including a significant drop in sugar outputs of Thailand, and the prospect of a global sugar production deficit.

### 1.3) Key Consumption Countries

Unit: million MT, raw value

Countries	Consumption (October - September)				
	2016/17	2017/18	2018/19	2019/20	2020/21*
India	26.70	27.60	28.26	26.80	28.50
European Union	16.53	17.11	16.52	16.31	16.26
China	16.65	16.20	16.25	15.80	16.20
Brazil	11.59	11.34	11.32	11.30	11.36
USA	11.16	11.12	11.10	11.12	11.12
Indonesia	7.42	7.43	7.64	7.74	7.84
Pakistan	5.54	5.90	6.00	5.90	6.10

Source: World Sugar Balances 2011/12 – 2020/21 F.O. Licht's International Sugar and Sweetener Report, 28.09.2020



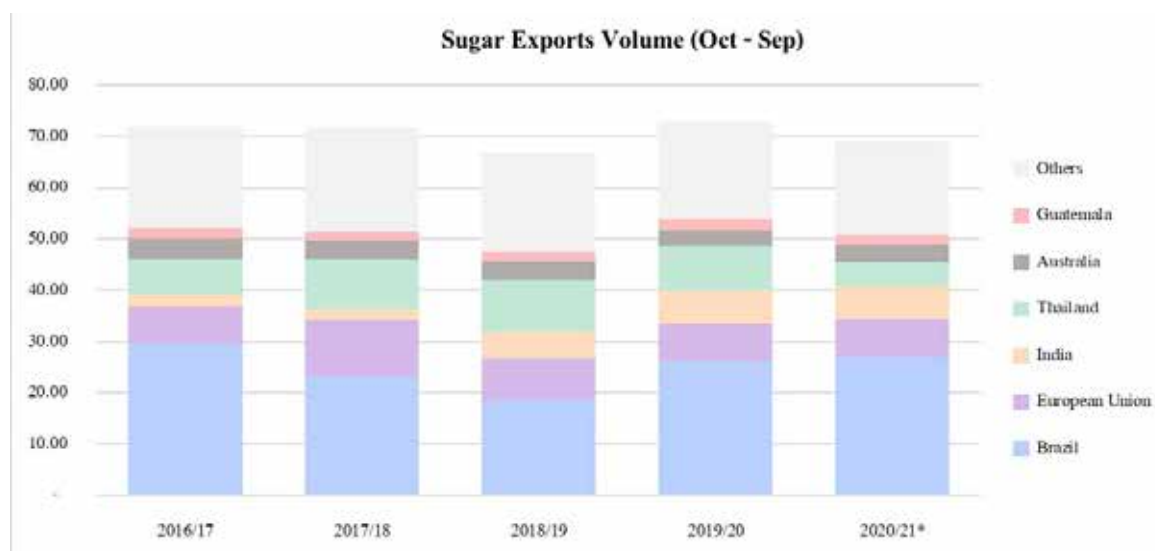
India and the European Union still assumed the helm of sugar consumption champion. However, world sugar consumption's growth decreased from the traditional growth of at 2% a year. Health campaign played bigger role in influencing food & beverage industries to reformulate their sugar contents in their products to serve new trending demands, while household consumption did not change much. And while, analysts considered that world sugar consumption's growth will return to increase approximately two percent in the 2020/2021 season.

#### 1.4) Major Exporting Countries

Unit: million MT, raw value

Exporters	Volume (October - September)				
	2016/17	2017/18	2018/19	2019/20	2020/21*
Brazil	29.56	23.23	18.45	26.33	26.95
European Union	7.24	11.03	8.30	7.17	7.48
India	2.25	2.23	5.34	6.50	6.50
Thailand	7.08	9.75	10.11	8.60	4.59
Australia	3.90	3.50	3.50	3.22	3.25
Guatemala	2.05	1.76	1.87	2.08	2.02
Others	19.94	20.15	19.26	19.14	18.46

Source: World Sugar Balances 2011/12 – 2020/21 F.O. Licht's International Sugar and Sweetener Report, 28.09.2020



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, it was estimated that sugar exports will decrease by about 50 percent compared with previous year because of the effects of drought, continually resulting in lower domestic output. Due to Thai sugar industry's projects adjusted, Thailand became the fourth biggest exporter of sugar.

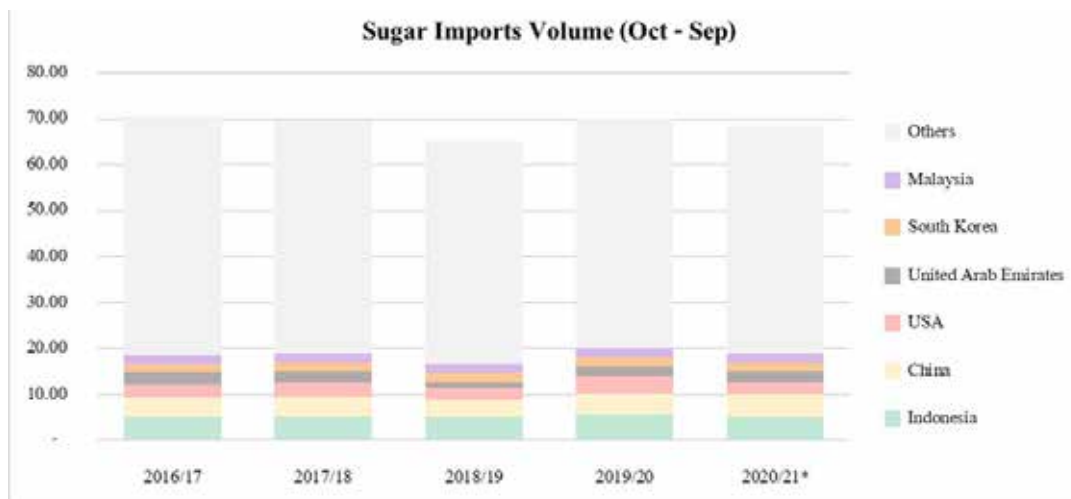
Total Thailand's export volume from January to December in 2020 was 6.099 million MT, which decreased compared with the previous year due to sugar production falling significantly. Most important destinations included Indonesia, Vietnam, Cambodia, South Korea, and China.

### 1.5) Major Importing Markets

Unit: Million MT, raw value

Importers	Volume (October - September)				
	2016/17	2017/18	2018/19	2019/20	2020/21*
Indonesia	5.11	5.02	5.08	5.65	5.14
China	4.18	4.64	3.58	4.56	4.85
USA	2.90	3.03	2.72	3.85	2.70
United Arab Emirates	2.58	2.23	1.28	1.98	2.30
South Korea	1.76	1.92	1.92	2.01	1.92
Malaysia	1.97	2.06	1.96	2.02	1.90
Others	52.00	50.80	48.65	50.04	49.60

Source: World Sugar Balances 2011/12 – 2020/21 F.O. Licht's International Sugar and Sweetener Report, 28.09.2020



In 2019, China was the biggest importing market with the average demand was 15.80 million MT and domestic production was 11.32 million MT. As expected, China set sugar import quota close to the traditional amount after reducing 1 million MT of import quota in previous year. Major concern factors for Chinese market were 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 5.65 million MT to serve annual demand of 7.74 million MT. In the 2019/20 crop year, Thailand alone shipped 2.22 million tons to Indonesia lower than the same period of last year because environmental impacts prompted a reduction in the proportion of cane production.

#### Analysis

1) The 2019/20 crop year was a volatile period in terms of price, production, and trade. The sugar market was rocked by uncertain factors, such as unpredictable sugar market situation, unclear sugar trade policies, the amendments to the Cane and Sugar Act that has been closely observed by the WTO. There are some concerns with issuing rules regarding the commodity management. Other factors include the global economy impacts on sugar pricing and India's export subsidies. Although, the COVID-19 outbreak has not caused direct impacts on sugar consumption, this pandemic has led to indirect effects in term of consumption. These factors combined spurred concern over world economic growth's potential and eroded confidence over demand of commodity products.

NY No. 11 Raw Sugar Price Movement (February 2020 – January 2021)

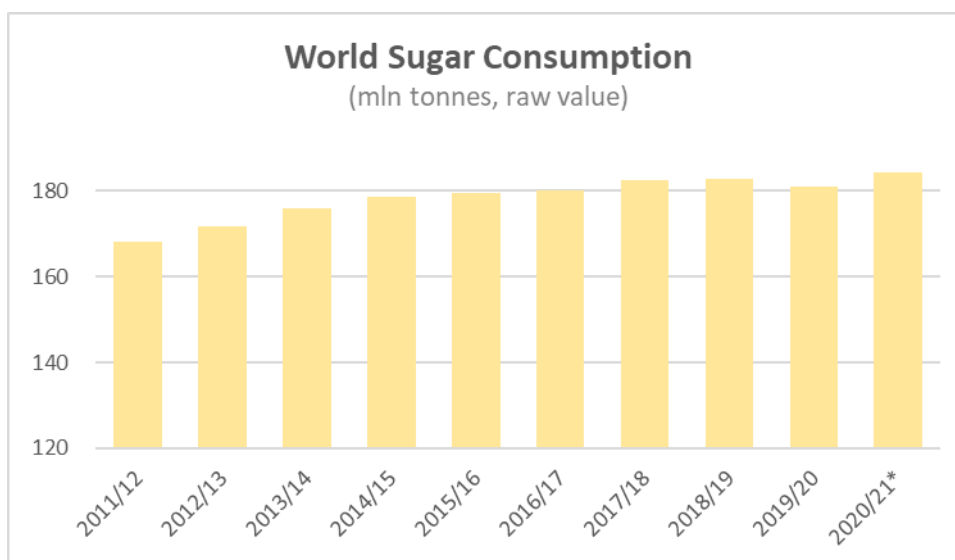


Source: <https://www.barchart.com/futures/quotes/SBH20/interactive-chart>

2) Fundamental reasons influencing sugar price were a surplus of which was a result of lower sugarcane production in Thailand where environmental impacts have negatively affected. This led to a decline in sugarcane crop around 50 percent. Although, the international trade volume of sugarcane in India and Brazil was relatively similar, the global sugar production has greatly decreased. Overall, while global sugar consumption has slightly decreased from previous year, the volume of sugar production significantly decreased. The cane volume was lower than consumption at 2.66 million MT. Despite the emergence of a global sugar surplus, these situations occurring in this year have been the key factors affecting sugar market. It is clearly on an upward trend of sugar prices, but it has been not striking as expected. This explains why sugar prices has increased significantly.

3) Apart from the forementioned factors, world sugar consumption's growth was modest at 1%, 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 over 20 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.

Region wise, the growth existed in Some Asian and African countries. In Asia alone, sugar consumption was dropped from previous year. Consumption in 2020/21 is expected to rise to 88.7 million MT. Sugar consumption in Africa is forecasted to be around 23.5 million MT. Consumptions in Europe, North and Central America, South America, and Australia are stable at 30.44 million MT, 21.0 million MT, 19.0 million MT and 1.6 million MT respectively.



Source: World Sugar Balances 2011/12 – 2020/21 F.O. Licht's International Sugar and Sweetener Report, 28.09.2020

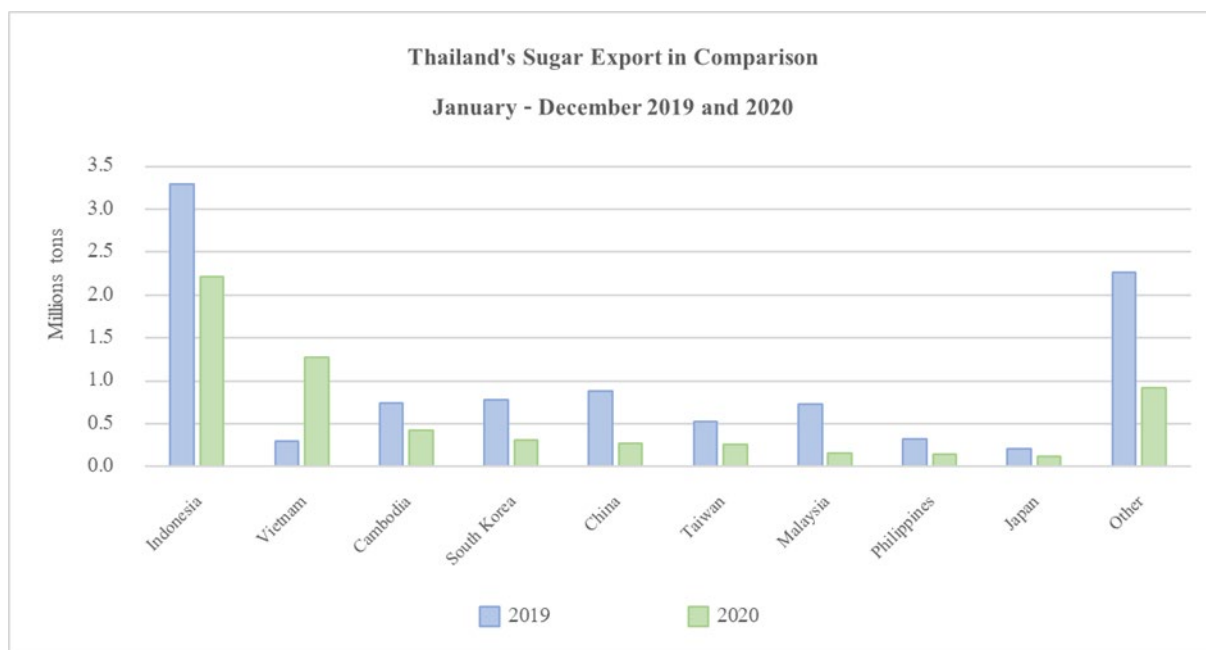
4) In term of sugar trade, demand for raw sugar was hampered by the Chinese government's announcement in August to increase out-of-quota imported tariffs from 50% to 90% for all origins. Moreover, sugar exporting countries were suffering from India's sugar export and transport subsidies at 79.3 US\$/MT from 150 US\$/MT. Still, analysts has expected that India would have approved subsidy to export 6 million tonnes of sugar for 2020/21. India's export subsidy severely affected Thai's export since two countries have the similar markets for exporting, especially in South Asia and African markets. Thailand's sugar industry has been influenced by the increase in price owing to a decrease in supply of Thai sugar. But it is expected these results will be seen more clearly in 2020/21 onward.

### Major Thai's Export Markets

Comparison of the amount of Thailand's sugar exports in January - December 2019 and 2020

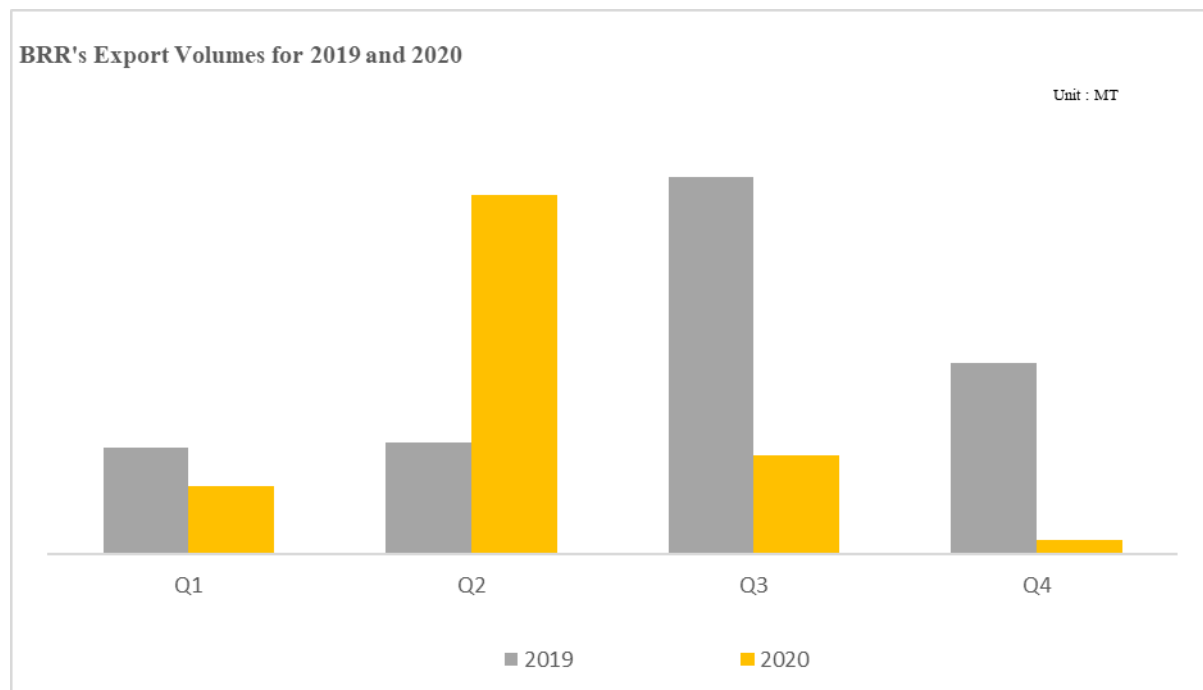
Destinations	2019	2020
Indonesia	3,289,437.341	2,219,706.850
Vietnam	299,830.024	1,273,993.730
Cambodia	744,374.394	429,769.658
South Korea	776,982.780	309,141.935
China	880,537.780	274,181.380
Taiwan	518,866.700	254,946.300
Malaysia	725,443.952	155,835.346
Philippines	322,493.000	148,949.650
Japan	212,436.850	116,630.000
Other	2,266,547.473	915,482.758
<b>Total</b>	<b>10,036,950.294</b>	<b>6,098,637.607</b>

Source: Thai Sugar Millers Corporation Limited

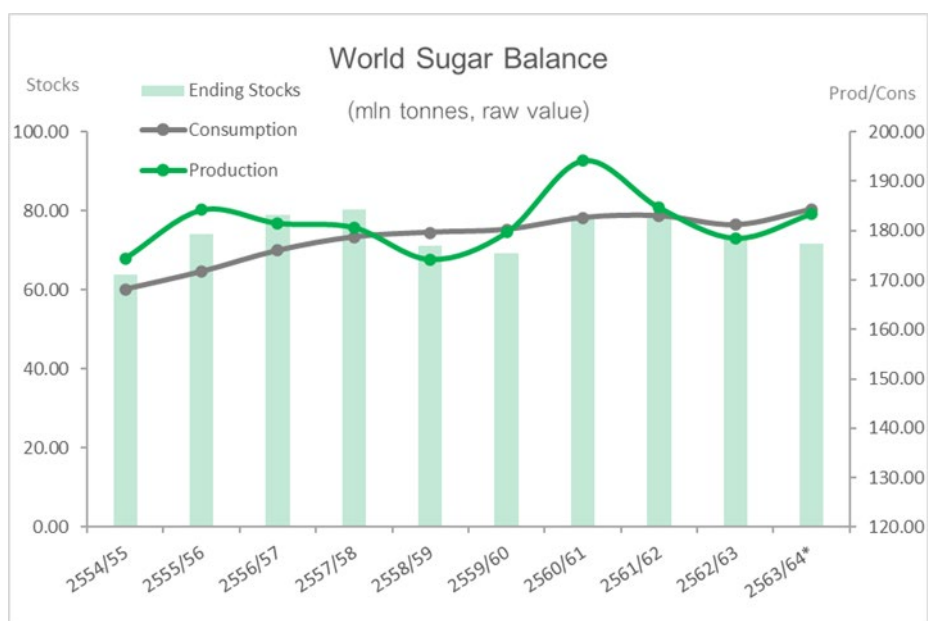


In 2020, Indonesia was Thailand's biggest raw sugar destination with 2.22 million MT shipped throughout 2019, compared with just 3.29 million MT last year. The surge in export was the lower Brazil's sugar output and high freight cost. Australia had also reduced its export to this market and directed 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.

For BRR, total export in 2019 was 198,578 MT, lower than last year by 91,040 MT or 31.43% due to the significant drop in cane volumes. In 2018/19 crop year, BRR crushed 2.94 million MT of cane, while in 2019/20 the volumes were 1.798 million MT. Major markets for company sugar included Indonesia, Vietnam, Taiwan, and South Korea etc. For 2020/21 crop year, it is expected to crush 1.70 million MT of cane with around 200,000 MT of sugar. The drought is the major factor which reduce the productivity continuously. As for the overview of domestic sugar market, Thailand crushed 74.89 million tonnes of sugarcane in the 2019/20 season. For the 2020/21 crop year, it is forecast to decline to 67 million MT of cane.



For situation in the crop year 2019/2020, the world sugar production remains lower than the demand, leading to the deficit phase for two consecutive years. However, analysts predicted that sugar consumption is projected to grow around two percent during the 2020/21 season and the demand of sugar will be higher than the supply for at least two years before returning to sugar supply balance or the oversupply of sugar.



Source: World Sugar Balances 2011/12 – 2020/21 F.O. Licht's International Sugar and Sweetener Report, 28.09.2020

## Appendix

In 2019/20 crop year, there were 57 sugar factories in Thailand with the combined crushing capacities of over 75 million tons/year, producing 8.29 million MT of sugar. Crushing period usually starts from December 2019 to April of the following year.

**Thai Sugar Mills at the crop year ended 2019/20**

Group	No. of Factory (s)	Sugar (Metric Ton)	Market Share (%)
Mitr Phol	7	1,610,640	19.42%
Thai Roong Ruang	6	935,224	11.28%
KTIS	3	602,337	7.26%
KSL	5	581,911	7.02%
Cristalla	3	497,416	6.00%
Korach	2	470,274	5.67%
Saraburi	4	401,983	4.85%
Eastern Sugar	2	338,097	4.08%
Thai Sugar Mill (Kanchanaburi)	2	329,827	3.98%
Kumphawapi	2	244,508	2.95%
Wangkanai	4	223,238	2.69%
<b>Buriram Sugar Factory</b>	<b>1</b>	<b>219,269</b>	<b>2.64%</b>
Mitr Kaset	2	177,348	2.14%
Ratchaburi	2	141,852	1.71%
Rayong	2	105,879	1.28%
Others	10	1,414,526	17.05%
<b>Total</b>	<b>57</b>	<b>8,294,329</b>	<b>100.00%</b>

Source: Thai Sugar Millers Corporation Limited

### (3) Residue from sugarcane plantation and sugar production 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 the Company group 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.

### 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 (“VSP”), 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 the Company group 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 the Company group 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%.

#### Awards and Quality Certifications



ISO 9001:2015 – Quality  
Management System



ISO 14001:2015 -  
Environmental Management System



Environmental Governance  
Award 2014



Green Industry – Level 2  
(Green Activity)



Green Industry – Level 3  
(Green System)

#### 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 the Company group 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.

### Awards and Quality Certifications



ISO 9001:2015 – Quality Management System



Environmental Governance Award 2015



Green Industry – Level 2 (Green Activity)

### 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 7 years/ PPA Expire on August 10, 2028)	20 years from the start of COD (FiT Agreement remaining 14 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 internal re-organization in which BRR currently holds its shares by 99.99% of total shares. BPP is the third power plant of the Company group 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.

Nevertheless, the Company has prepared itself with the supporting systems and power generation technologies, the readiness of community enterprise and other relevant documentations in the event that the government sector opens for the submission of proposal to take into account the qualifications of small power producers in receiving power sales in Quick Win project.

### Awards and Quality Certifications



ISO 9001:2015 – Quality Management System



Environmental Governance Award 2018



Green Industry – Level 1 (Green Commitment)



Green Industry – Level 2 (Green Activity)

The 3 power plants are located nearby the sugar factory of the Company group 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, residue from sugarcane plantation and sugar production 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 the Company group'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 2018, BEC upgraded ISO 14001:2004 to ISO 14001:2015 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. Besides, receiving other awards which prove that the Company group is aware of, and takes this commitment seriously. The details are as follows:



BEC received Thailand Energy Awards 2017 given by Department of Alternative Energy Development and Efficiency (DEDE), Ministry of Energy (The 1st runner-up award in the renewable energy category of cogeneration power plant.)



BEC received ASEAN Energy Awards 2017 from 35th ASEAN Ministers on Energy Meeting (35 AMEM), in Philippines (The winner award on the cogeneration power plant.)



BPC received Excellence Award, Thailand Energy Awards 2018 from Department of Alternative Energy Development and Efficiency (DEDE), Ministry of Energy (The Excellence Award for the bagasse-fired cogeneration power plant project.)



BPC received ASEAN Energy Awards 2018 from 36th ASEAN Ministers on Energy Meeting (36 AMEM), in Singapore (The first runner-up award on the cogeneration category)



BPC received Energy Globe National Award 2019 given by Austrian Embassy of Thailand in collaboration with UNEP (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)

#### ➤ **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 Company group. 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-costs. 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 2020, there were 2,073 projects of the biomass power plant for VSPP type in Thailand. There were 983 projects for on the power generation on the commercial operations (COD). The total installed capacity was 11,160.09 MW and the total sales quantity under the power purchase agreements was 8,893.86 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	34	197.09	172.68
Already COD	983	5,270.08	4,026.41
Cancelled purchases	134	429.60	378.44
Cancelled requests	265	1,357.75	1,113.33
Cancelled agreements	656	3,902.56	3,199.99
Projects under trial	1	3	3
Project under appeal	0	0	0
<b>Total</b>	<b>2,073</b>	<b>11,160.09</b>	<b>8,893.86</b>

Source: Energy Regulatory Commission (ERC) <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

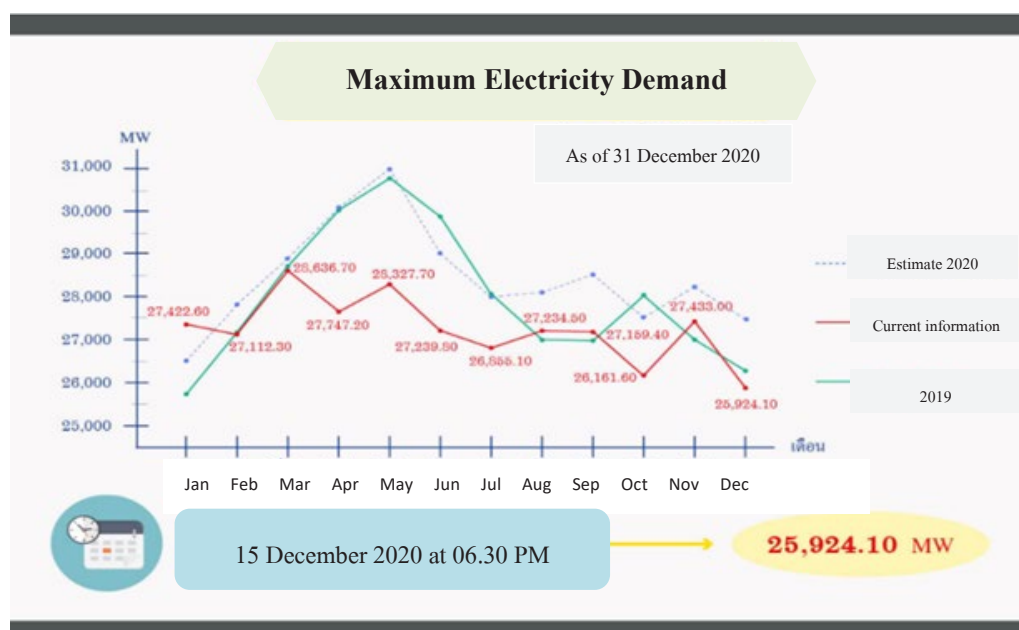
Micro-Hydropower	101.75	108.80	142.01	172.12	376.00
Macro- Hydropower	-	-	-	2,906.40	2,906.40
<b>Total</b>	<b>2,592.87</b>	<b>3,523.23</b>	<b>4,182.53</b>	<b>7,590.28</b>	<b>18,354.40</b>

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 15, 2020, at 6.30 p.m., which was equal to 25,924.10 MW was decreased by 1,508.90 MW or equivalent to 5.50%

#### 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 residue from 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 the Company group builds more biomass power plant for supporting the expanding of sugar production. This is a cause of the increasing demand of material. In previous crop year, the Company group 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 2019/20, the quantity of bagasse was approximately 503,784.17 tons of cane crushing, which accounted for 28.01% of the quantity of cane crushing. Nevertheless, besides from using bagasse as the primary biofuel for generating electricity, the Company also uses other biofuel material as an alternative. In the past year, the Company has used woodchip as the alternative. Moreover, since, the power plants company is a subsidiary of Buriram Sugar Co., Ltd (Public) as well as BSF which is a sugar factory; it provides the advantage to the power plant company in term of raw material access, and able to speculate the available raw materials in advance. Thus, such process is a method of Risk Management in respect of insufficient raw materials.

### **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.

Moreover, regarding BPP considered as the 3<sup>rd</sup> power plant of the Company group, the government sector currently opens for the submission of proposal to take into account the qualifications of small power producers in receiving power sales from in Quick Win project. The Company has therefore prepared itself with the information systems and power generation technologies, the readiness of community enterprise (as specified in the conditions of participation in this project) and other relevant documentations provided that the government sector opens for the submission of proposal, the Company will be ready to operate instantaneously.

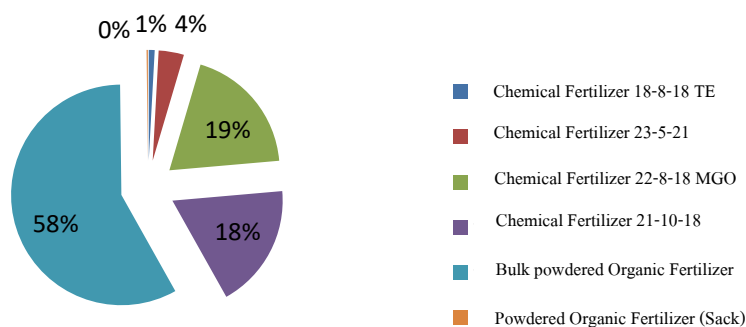
## **3.2 Organic Fertilizer Business operated by Key Brand Fertilizer Co., Ltd. (“KBF”)**

### **3.2.1 Products and Services**

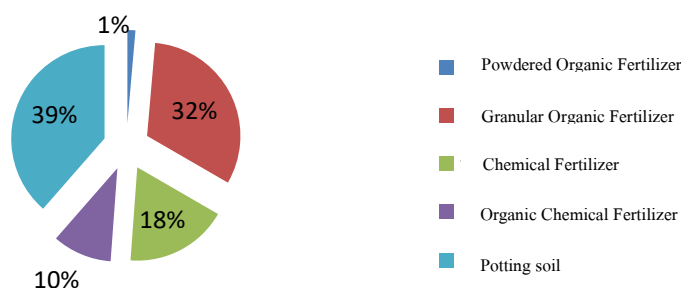
The Key Brand Fertilizer Company Limited or KBF registered in the year 2011, and currently, the 15 million Baht of its registered capital has already paid up .KBF has operated its production business and sold the organic fertilizers on December 2012 by using the decomposed filter product, which is a residue from sugarcane plantation and sugar production of the Company group 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 four types of fertilizer which are granular organic fertilizers, powdered organic fertilizers, granular organic chemical fertilizers and granular chemical fertilizers. The Company has launched the potting soil, as a new product, which has been distributed since March 2020 and received good customer feedback.

### *Production and distribution proportion of each type of fertilizers to BSF*



### *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 procurement department of BSF 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 procurement department of BSF to start developing fertilizers by soil testing. The goal is to produce the fertilizer in its effort to preserve cane to become full of nutrient.

#### ■ Distribution Centers in Every Supporting Center

KBF has conjoined BSF 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 Sugar Factory Co., Ltd. ("BSF")

Currently, KBF supplies powdered organic fertilizers accounted for 100% and granular chemical fertilizer accounted for 100% to BSF to distribute to sugarcane farmers later. Then, BSF 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, which is beneficial to both the company and the sugarcane farmers.

99% of KBF's products have been sold to BSF 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 BSF in Buriram province as follows:

Promotion Zones	Distribution Center
1.1	5 km Hinlekhai 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	Ban Lamthamenchai, Stuek District
6.1	Ban Na Sinal 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 Chomptra, 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, online stores, and direct channels so that farmers can try KBF's high quality and low-cost products. Moreover, it helps with the branding strategy among general farmers. In 2020, 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 BSF 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 sugarcane, with the cheap price, and in reducing the cost for the sugarcane farmers.

### **3.2.5 Marketing and Promotion Plan**

In 2020, KBF together with BSF 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 (Living Agriculture Magazine, Sponsoring Muay Thai 7 color TV show, and Facebook etc.). Additionally, the trading supporting team will evaluate or follow the growth of the sugarcane periodically to make the brand 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 residue 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 studied about new substitute materials to replace the main raw materials in case of shortage of raw materials for sugarcane farmers' needs, which is still under the procedure of experiment.

### 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 BSF. 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 further extending other agricultural products such as studying marijuana and hemp cultivation including product processing etc. 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 the procurement department of BSF 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 and high CCS value. In 2020, the 21-10-18 chemical fertilizer was manufactured, receiving good feedback from sugarcane farmers.

**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 2020, KBF will launch 2 products, which are 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. In 2020, the Company has launched two new products, which are 1 kilogram of organic granular fertilizer and 5 kilograms of potting soil. In addition, the 17-17-17 MGO and 20-5-28 chemical fertilizers are registered, which are in the process of approval. It is expected to finish in the first quarter of 2021. However, the Company still strive to promote the Pla-Bin product which enable agriculturists to recognize for the expansion of market to distribute fertilizer to farmers and to be more acceptance.

## Awards and Quality Certifications



Product Certification – Quality of Organic  
Fertilizer Tablets (Grade 2)  
11150//2018



Product Certification – Quality of Organic  
Fertilizer Tablets (Grade 2)  
No. 11192/2018



Environmental Governance Award 2018



Product Certification – Quality of Organic  
Fertilizer Tablets (Grade 2)  
No. Q63-00066  
(January 21, 2021)



Product Certification – Quality of Organic  
Fertilizer Tablets (Grade 2)  
No. Q63-00067  
(January 21, 2021)

## KBF's Selling Promotion Activities

### Boots Activities at 2020 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 2020.



### Big garden Customers

2020 Pla Bin products delivery to rubber farmer customers  
at Bueng Kan province



2020 Pla Bin products delivery to customers from Rubber  
Authority of Thailand at Ubon Ratchathani Province



### 2020 Customer Visit Activities (Pla Bin Products)



### Pla Bin Products Delivery in 2020



### 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 285,000,000 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, SEW was firstly required to purchase bagasse pulp from the suppliers in order to launch a product to a market in the first stage. Regarding pulp production plans, the Company has established a small pulp mill for the research and experiments of bagasse-based pulp production to be completed within the year of 2020. If the Company will be able to make its own pulp, it will enable lower costs of raw material; and provide the advantage to compete with others in terms of material cost.

. Due to the impact of the COVID-19 outbreak, the Company is not able to achieve its export target and therefore required to adapt its marketing strategy to increase sales in domestic marketplace in order to compensate for the loss of export sales, but it is inadequate. As a result, the investment is not fully redeemed.

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
- Elemental chlorine free (ECF)
- 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

However, if the large pulp mill construction is completed within the third quarter of the 2021 year, not only the Company will have lower raw material costs, but also can manufacture organic bagasse packaging products which are unbleached and chemical-free.

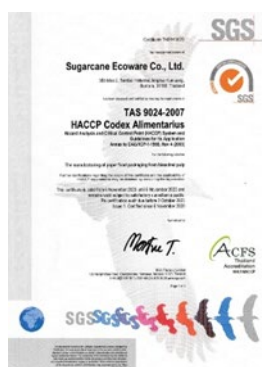


## Awards and Quality Certifications

Hazard Analysis and Critical  
Control Points (HACCP)

Good Manufacturing Practice (GMP)

ISO 9001:2015 –  
Quality Management System



### 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.

### 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. However, if the large pulp mill established to manufacture bagasse-based pulp used as the raw material for its own packaging production factory is completed by the third quarter of 2021, the Company will be able to make its own pulp and enable lower costs of raw material; it provide the advantage to compete with others in terms of material cost.



### 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 Company group 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.

#### **In terms of Social Responsibilities**

In 2020 owing to the spread of COVID-19, the company anticipated that the country and its people including the medical workers would undergo such crisis, the company therefore contributes to the society by providing bagasse packaging products to many hospitals to minimize the risk of the spread. These include hospitals in Buriram province and others such as Buriram hospital, Bamrasnaradura Infectious Diseases Institute, and Ramathibodi Hospital, etc.



#### (4) Supporting Business

##### 4.1 Logistic Service Business operated by BRR Logistics Management Co., Ltd. (“BRLM”)

BRR Logistics Management Co., Ltd. (“BRLM”) registered in the year 2019. At present, the registered capital of the company is 3,000,000 Baht and fully paid-up, in which BRR currently holds its shares by 99.98%. Logistics service provider that consists of transportation and shipping commodities by land and waterways, domestic and international. This includes unloading cargo from dock under the customs procedure. The vision and missions are as follows:

**Vision:** As alternative in logistics service provider in order to increase the competitors’ performance for clients in BRR and outsiders.

**Missions:**

B: Best Practices >> Determined to become excellent leadership in shipping service.

R: Reliable Services >> Establish reliable service in logistics.

L: Logistics Transformation >> Improve the design of logistics service to keep up with the pace and business solution.

M: Meet and Beyond Expectation >> Provide service with beyond client’s expectation quality.

##### 4.1.1 Products and Services

BRLM provides logistics services, which consist of transportation and shipping commodities by land and waterways, domestic and international as well as unloading cargos from dock under the customs procedure, for Buriram Sugar Public Company Limited and its subsidiaries. (“the Company group”) by delivering sugar and molasse. Moreover, it also provides these services to outsiders of the Company group by focusing on the expansion of markets and customer base including molasse and glass sands delivery.

##### 4.1.2 Market and Competition

###### Marketing Strategies and Expansion of Market and Customer Base

In terms of logistics service company, besides from the logistics service provider of the Buriram Sugar Public Co., Ltd., and its subsidiaries, BRLM also provides the services to outsiders with the full-service logistics networks. Therefore, BRLM has ability to deliver efficient, quick, and timely services to customers. At the present, this is regarded as the key factors in competitiveness, which consist of the strength of costs management, transportation services trading in business to business (B2B) such as return transportation management and multi modal transportation including railway transport as well as understanding of time management in waiting for the products after customers placing their orders from sellers that are delivered by the network groups of professional logistics providers for each route and region in the country. This is to ensure that customers will be delivered with excellent services and satisfactions towards logistics management of the Company.





# Risk Factors

## Risk from business operation of the company

Business of Buriram Sugar Public Co., Ltd. and its subsidiaries are as follows:

1. Manufacturing and distribution of sugar including research and development for improving the quality of sugar cane plantation and nourishment, operated by Buriram Sugar Factory Co., Ltd. (“BSF”)
2. Residues from sugarcane plantation and sugar production are
  - Biomass power plants operated by Buriram Energy Co., Ltd. (“BEC”), Buriram Power Co., Ltd. (“BPC”) and Buriram Power Plus Co., Ltd. (“BPP”)
  - Manufacturing and distribution of organic and chemical fertilizer operated by Key Brand Fertilizer Co., Ltd. (“KBF”)
  - Manufacturing and distribution of bagasse packaging operated by Sugarcane Ecoware Co., Ltd. (“SEW”)
3. Supporting Business of the Company:
  - Logistics Management and Shipping Services for domestic and international, operated by BRR Logistics Management Co., Ltd. (“BRLM”)

### **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. In addition, the company has conducted surveys and assessment seeking for the changed factors, and has been resolving the occurred problems since 2012 until today. As of which, in 2020, the sugarcane planting area has been increased to 199,898.19 Rai, and the average production has decreased to 8.71 Ton/Rai due to drought weather. The total average production of the country is at 7.09 Ton/Rai 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
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
2019/20	199,898.19	30,457.00	8.71

(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 sugarcanes, preserving organic matter, adjusting pH for fertilizer efficiency. The company produces the fertilizers from filter cake as a main raw material which is a residue 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 sugarcanes. If other sugar factories in local areas offer higher price of sugarcanes than BSF's, sugarcane farmers may trade their sugarcanes to those factories instead; therefore, the amount of sugarcane crushing will be decreased respectively. As the result, Procurement Department 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, Procurement Department 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.

Procurement Department 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, Procurement Department 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.

Procurement Department'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 selling price shall be based on the global sugar market price. As of which, the global sugar market price will change as per demand and supply of the global market in general. Therefore, the revenue of the Company shall be affected if the sugar price in the global market changes. In 2020, the price of New York Raw Sugar No. 11 was averaged at 12.87 cent per pound, and the price of London Sugar No. 5 was averaged at 375.69 U.S. Dollars/Metric Ton. The Company has been closely monitoring the situations, analyzing the trends and the impacts that may arise in order to reduce the impact from the fluctuation of the sugar price in global market.

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

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Price (US\$/Ton)	614.79	706.39	587.68	489.71	440.04	373.40	500.39	433.25	343.79	332.93	375.69

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, BRR and its subsidiaries 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 and chemical fertilizers. 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

Department of Procurement, Credit Analysis and Account Payable supports the sugarcane farmers by providing the sugarcane advance payment loans in individual planting areas according to each step of crop-growth period by using the database and GPS (Global Position System) to survey the plantation in order to assure that each area is exactly supported and monitored appropriately 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 sugarcane 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 2020. Whereas, the company has set the allowance for doubtful accounts as below;

(Unit: Million Baht)

Item	2015	2016	2017	2018	2019	2020
Allowance for Doubtful Accounts	3.44	0.74	10.28	4.56	5.14	4.31
Sugarcane Farmers Account Receivable	782.61	1,069.92	957.07	682.56	299.77	460.04
Percentage of Doubtful Accounts	0.44	0.07	1.07	0.67	1.71	0.94

The ratio of allowance for doubtful accounts during 2015 to 2020 was approximately 0.94% 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.

## 1.1 Foreign Exchange Risk

In 2020, the world's economy inclined to shrink because the economic activities throughout the world started to recover in the 3<sup>rd</sup> quarter, but the situation of COVID-19 pandemic has great impact with the world's economy. The significant matter that has been affected is the exchange rate of currencies with fluctuation, and the fact that Thai Baht has appreciated rapidly. The Company recognizes the revenue from exporting sugar in US Dollar as 70% of the total sugar selling revenue. Thus, the Company's revenue shall be fluctuated in accordance with the exchange rate of Thai Baht per US Dollar.

Nevertheless, the company implemented the preventive measure by hedging the forward contracts with financial institution in order to reduce the fluctuation of foreign exchange risk. The exchange rate in the forward contracts shall attempt to maintain equal or higher than the exchange rate that Thai Cane and Sugar Company Limited (TCSC) uses in calculation of Quota B selling price, but this still relies on the discretion of the Executives in respect of the trend of exchange rate at that time.

In addition, the company also closely monitors the movement of economy condition, political policy and other facts that affect the currency exchange rates, including analyzing the trends and impact that may affect the Company in order to administrate the operation appropriately under the change of circumstances.

## **1.2 Risk from Governmental Control**

### **1.2.1 Risk from Government Policy**

In 2019/2020 Production Season, there will be criteria and methods related to preparation of revenue forecast, determination and settlement of sugar cane price, sugar production cost, and the ratio of profits between farmers and factories. As of which, it will have the impact on calculating the profit share from selling the sugar; and due to this new calculation, it will make the “Sugar Price” that is used as a variable for calculating the ratio of profit between farmers and factories to rise between 17.25 – 18.25 Baht according to the TCSC’s announcement dated 21<sup>st</sup> of November 2019.

The Company has closely monitored the situation by the appointed Cane and Sugar Management Team, and able to analyze and speculate the situation that may occur including the backup plan in case of any change of the aforementioned structure. Also, there is a revision of selling strategy and production plan according to the changed situation, and improve the operation procedures that will help the Company to manage the cost accordingly.

However, in 2020/2021 Production Season, the Company will maintain the criteria and methods related to preparation of revenue forecast, determination and settlement of sugar cane price, sugar production cost, and the ratio of profits between farmers and factories. The sugar selling price will maintain between 17.25 – 18.25 Baht as per the aforementioned announcement.

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

Since, the sugarcane crushing season is from November until April; thus, the Company will start to sell the sugar from December or January onward, and will continue selling until the end of the year. The Company will consider the selling opportunities based on factors such as sugar stock level, production quantity, sugar price in the global market and the selling price which Thai Cane and Sugar Corporation Company Limited (TCSC) sells to the global market as the benchmark for considering the export selling price. Nonetheless, each quarter has different sugar selling price; hence, the revenue from sugar sales of each company in each quarter may fluctuate due to the aforementioned factors and the volume of sales in each quarter.

The Company has closely monitor the risk from fluctuation of the sugar price and the global market trend, and the Company also appointed Cane and Sugar Management Team in order to examine the quantity of sugar sales and the sugar quantity remaining balance; the meeting is conducted every 2 weeks in order that the concerned departments can share information accurately and promptly.

## **1.3 Risk from the Cost of Raw Materials**

Production and Distribution of Sugar Business uses cane as the raw material; the fluctuation of sugarcane quantity is the major factor that affects the production volume. If the amount of crushed sugarcane is decreased, the cost per unit will rise, and affect the loss of the Company’s profit. In order to increase the amount crushed sugarcane, it may requires competing to purchase long-distance sugarcane from nearby sugar factories which will cause the Company to pay additional cost of raw material accordingly. However, there is a system for allocating profits in order to share the revenue between the farmers and the Company; hence, if Thai Cane and Sugar Company Limited (TCSC) sold the sugar at high price, the cost of raw material will also increase. On the other hand, if TCSC sold sugar at low price, the cost of raw material will also decrease; thus, the fluctuation of raw material cost will affect the profits of the Company accordingly.

Therefore, in order to minimize the risk, the Company has to sell sugar at higher price than the average selling price of TCSC, to prevent the Company's loss due to increasing cost of raw material. The Company manages risk of sugar selling price by having a team to closely monitor the sales of TCSC, in order to ensure that the Company can manage the sugar sales at the acceptable price comparing to the average selling price of TCSC.

In addition, the Company also has cane and sugar management team consists of representatives from concerned departments; in order to analyze and speculate the selling situation, by examining the amount of selling sugar and the remaining balance of sugar which is discussed in a meeting every 2 weeks.

### **Risk from Business Operations of Residues from sugarcane plantation and sugar production**

**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 is the supplier of bagasse which is the residues from sugar manufacturing for BEC, BPC and BPP, to be used as primary biofuel for generating electricity. Therefore, in the case where production season has low amount of sugarcane, it will affect the amount of bagasse provided for the electricity power plant, and cause the risk of insufficient biofuel for the production and it may cause the electricity generating process to stop accordingly. In the crop year 2019/2020, the company had bagasse after crushing in amount of 503,784.17 tons which is 28.01% of the sugarcane for crushing. As of which, each power plant requires the fuel in each period differently as below:

<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	-

**Fuel Consumption Table – Crop Year 2019/2020**

(Unit:Tons)

<b>Volume of Fuel Consumption</b>	<b>BEC</b>		<b>BPC</b>		<b>BPP</b>	
	<b>bagasse</b>	<b>woodchip</b>	<b>bagasse</b>	<b>woodchip</b>	<b>bagasse</b>	<b>woodchip</b>
Crushing Season	698	54	747	68	823	271
Melting Season	460	89	810	138	-	-
The period of fully condensing electric power generation	325	195	531	225	-	-

Besides from using bagasse as the primary biofuel for generating electricity, the Company also uses other biofuel material as an alternative. In the past year, the Company has used woodchip as the alternative. Moreover, since, the power plants company is a subsidiary of Buriram Sugar Co., Ltd (Public) as well as BSF which is a sugar factory; it provides the advantage to the power plant company in term of raw

material access, and able to speculate the available raw materials in advance. Thus, such process is a method of Risk Management in respect of insufficient raw materials.

## **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, BPC received the first runner-up of Energy Globe National Award 2019 as biomass power plant by the Consulate of Commerce at Australian Embassy of Thailand. It is a prestigious environmental award that is given to projects that shows outstanding practice with priority on sustainable development. Energy Globe National Award was established in 1999 by Mr. Wolfgang Neumann, the Australian's pioneer of energy, and it cooperated with United Nations Environment Programme (UNEP) and there are 187 countries that joined this programme

## **Manufacturer and Distributor of Organic and Chemical 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 3-7 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 five 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 has risk management strategy by conveying 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.

## **Risk from Manufacturing and Distribution of Bagasse packaging by Sugarcane Ecoware Co., Ltd. ("SEW")**

### **1.1 Risk from Raw Material Procurement**

The Company uses pulp from eucalyptus and bagasse as the primary raw material in manufacturing process; and, the risk from raw material procurement will arise due to being dependent on purchasing the raw materials from major suppliers such as KTIS and SCG. Since, there are small numbers of suppliers who can manufacture pulp from eucalyptus and bagasse; thus, there is possibility that the Company may encounter the insufficient raw material issue, and unable to produce the goods according to the market demands as well as the higher cost of production. Nonetheless, the raw material procurement of the Company has never encountered the issue of insufficient raw material because the Company has the research and development facility that can manufacture some bagasse by itself; and, they use bagasse from the subsidiaries sugar factory which means that they can access to the raw material source with convenience.

However, SEW has implemented the countermeasures for risk management by finding additional Suppliers, and established the plan for production and forward contracts, in order to ensure that there will be sufficient raw materials and never encounter the insufficient raw material issue during the construction of the Company's own pulp factory which is estimated to complete in the middle of 2021.

### **1.2 Risk from Fluctuation of Foreign Exchange Rate**

Since, SEW export the bagasse approximately 70 percent of the total packaging sales, and there are different values of foreign currency exchange rate upon sales. Hence, the Company has been affected by the fluctuation of the foreign exchange rate due to the world economy in 2020 that shrunk as the result from pandemic of COVID-19.

However, SEW has the preventive measure by entering in to Forward Contracts, and cover all transactions that are traded in foreign currency. Also, the Company has closely monitored the movements of the economy condition, political policy, and other factors that affect the foreign exchange rate.

### **1.3 Risk from Consumer's Behavior**

Currently, alternative products are produced such as foam packaging, plastic packaging, and palash leaves packaging; they can be used as food container for 2-3 days before degrading. As of which, such packaging products may have lower cost and selling price than bagasse packaging. Also, in term of consumer's behavior; although bagasse packaging is eco-friendly and human-friendly, it is still not very popular in Thailand. Thus, it affects the cost of production and selling price of bagasse packaging, and the consumer could choose to purchase other alternative products.

However, SEW is committed to reassure the customers in order to respond the trends of healthy lifestyle and eco-friendly including developing the products in accordance with the standards, and focusing on expanding the market in countries that the trend is popular such as Europe, USA or Japan.

## **Risk from supporting business**

**Logistics Management and Shipping Services for domestic and international, operated by BRR Logistics Management Co., Ltd. ("BRLM")**

### **1.1 Risk from Inconsistency of Revenue**

Most of the customers and revenues of BRLM are from sugar product shipping services, and the sugar's production in each year depends on factors such as external environment and climate. Thus, they cause the fluctuation of the sugar quantity in each year and cause the risk towards majority of revenue of BRLM that relies on these sugar exports. However, BRLM managed this risk by expanding the shipping service to other goods such as construction material, crushed stone, quartz, molasses, and packaging products.

### **1.2 Risk from Competition**

Currently, logistics business is supported by the government, and the commercial competition both domestic and international caused the entrepreneurs and manufacturers need the complete service of logistics and be able to satisfy the needs accordingly. Hence, the fact that BRLM is a service provider of logistics management and shipping is the opportunity for competing in order to enhance the service capability according to the current situation. Nonetheless, BRLM still has the risk from increasing competition; and, in order to adapt with the aforementioned situation, BRLM has managed the risk by expanding the service to cover the customers in other regions of the country, to satisfy the customer's needs and reduce the risk from increasing competition.

### **1.3 Risk from Finding Suppliers**

Since, BRLM is a service provider for logistics and shipping management; the operation is merely acting as the agency looking for competent Supplier according to the customer's needs in the aspect of goods, vehicle type, shipping time, in order to provide the service efficiently. However, BRLM still has the risk from finding efficient suppliers; thus, in order to provide the service efficiently, BRLM has managed the risk by determining the criteria for selecting the competent supplier as per the Standards of BRLM. The Supplier will always be evaluated after the service, and these practices will help to reduce the risk from finding competent suppliers accordingly.

## **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, 2020 and December 31, 2019, the D/E ratio of the company is equivalent to 3.67 % and 4.06% 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, 2020, 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 3.67 times
- Case 2 Interest Bearing Debt to Equity: IBD/E ratio equivalent to 3.24 times
- Case 3 Debt to Equity: D/E ratio excluding Infrastructure Fund equivalent to 1.96 times
- Case 4 Interest Bearing Debt to Equity: IBD/E Ratio excluding Infrastructure Fund equivalent to 1.55 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 74.95% 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.

## 4.1 Core operational assets of the company and its subsidiaries

As of December 31, 2020, the core operational assets of the Company and its subsidiaries had net value after deduction of the accumulated depreciation on the consolidated financial statements 5,532,248Baht with details as follows:

Items	Net value after deduction of the depreciation (Baht)	Ownership	Encumbrance
<b>Consolidated Financial Statements</b>			
Land and Land Development	466,747,037	Owner/ long-term rental	Collateral <sup>1</sup>
Building and Building Development	1,072,164,596	Owner	Collateral <sup>1</sup>
Machinery, Furniture, Equipment and Vehicles	3,931,959,027	Owner	Collateral <sup>1</sup>
Assets in Construction	61,377,640	Owner	-
<b>Total</b>	<b>5,532,248,300</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, 2020, are described as follows:

### 4.1.1 Land

Asset	Location	Area	Objective of Ownership	Ownership	Encumbrance
Land	- Hinlekfai, Kumueang, Buriram	- 1,251 Rai, 4 ngan, 75 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>
Land	- Nong Plong, Chamni, Buriram	- 660 Rai, 2 ngan, 74 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>2,786 Rai, 12 ngan, 362 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 (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> <ul style="list-style-type: none"> <li>- Factory building; 11,967 square meters</li> <li>- Sugar refinery building</li> <li>- Sugar and raw materials warehouse; 24,236 square meters</li> <li>- Office, maintenance building</li> <li>- Accommodation, guardhouse, warehouse and others</li> </ul>	Hinlekfai, Kumueang, Buriram	Sugar production and warehouse	Owner	Collateral
<u>Power Plant (BEC)</u> <ul style="list-style-type: none"> <li>- Power generation building; 1,440 square meters</li> <li>- Plant and building; 50,192 square meters</li> <li>- 1 bagasse storage; 3,170 square meters</li> <li>- Wastewater treatment pond; 430 square meters</li> <li>- Office of subsidiary</li> <li>- Accommodation, guardhouse and warehouse</li> </ul>	Hinlekfai, Kumueang, Buriram	Power generation and distribution	Owner	Collateral
<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

Asset	Location	Objective of Ownership	Ownership	Encumbrance <sup>1</sup>
13 Offices of Extension in 16 District  - Office of Extension, District 2 - Office of Extension, District 3.1 and 4 - Office of Extension, District 9 - Office of Extension, District 10.1 - Office of Extension, District 10.2	Buriram  Ban Nongkrue A.Mueang, Ban Lakoh A.Sa Tuek, Ban Kradueang A.Nangrong, Ban Pladpook A.Baandan, Bandan A.Bandan	Offices of Extension to provide services to farmers relating to plantation	Rental	-
- Office of Extension, District 5	Nakhon Ratchasima Ban Nong Bua Wong A.Lam Tamenchai		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		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	-

Asset	Location	Objective of Ownership	Ownership	Encumbrance <sup>1</sup>
<u>SEW factory</u> Warehouse; 30*250 meters (Warehouse Building) - Warehouse; 30*250 meters (Packing Room) - Warehouse; 30*250 meters (Product Molding Building) - Warehouse; 30*250 meters (Pulp preparing Building) - Ready-made concrete water tank; 8 layers 15 tanks - Small pulp factory Parcel Building; 12*18 meters	Hinlekfai, Kumueang, Buriram	Office Building and distribution	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 ▪ 7 machines for sugarcane receiving and uploading ▪ 2 machines for sugarcane preparation ▪ 10 machines for sugarcane crushing - Machine for juice clarification with capacity of 14,000 tons/ day ▪ 6 warming boilers ▪ 3 heating-up boilers ▪ 4 filters - Machine for crystallization with capacity of 1,680 tons/ day ▪ 6 boilers for crystallization process - Machine for centrifuging to separate sugar crystals and dry with capacity of 1,680 tons/day ▪ 11 centrifuging machines for separating sugar crystals from the mother liquor - Machine for drying sugar with capacity of 1,680 tons/ day ▪ 2 machines for drying sugar - A set of the electric generator. ▪ 1 Electric Generator ▪ 9 Transformers ▪ 9 Cranes	Hinlekfai, Kumueang, Buriram	Sugar production	Owner	Collateral

Asset	Location	Objective of Ownership	Ownership	Encumbrance <sup>1</sup>
<ul style="list-style-type: none"> <li>- Sugar Refinery Machines</li> <li>- Raw Sugar Bucket Elevator</li> <li>- Raw Sugar Weigher</li> <li>- Raw Sugar Magma</li> <li>- Raw Sugar Magma Pumps; 2 machines</li> <li>- Material Pump 1-2 (Plate EVAP.)</li> <li>- Refine Sugar Rotary Dryer</li> <li>- A Molasses Pump</li> <li>- Hot Water Supply Pump 1</li> <li>- Raw Liquor Pump; 3 sets</li> <li>- Liquor Liming Unit (Lime bucket)</li> <li>- Raw Liquor Liming Tank (Syrup tank mixed with lime)</li> <li>- Carbonator Tank; 3 sets (with calandria)</li> <li>- Circulated Pumps; 3 sets</li> <li>- HPA Prepare Tank 1-2 (old tank)</li> <li>- Carbonate Liquor Pump 1 (pumped to filter the 1<sup>nd</sup> HPD)</li> <li>- Carbonate Liquor Pump 2 (pumped to filter the 1<sup>nd</sup> HPD)</li> <li>- Gas Scrubber; 2 sets</li> <li>- Damper 1-6</li> <li>- Sweet Water Pump; 2 sets</li> <li>- Plate Heater</li> <li>- Condensate Plate Evap. 1-3 Pump</li> <li>- Scrubber Spray Water Pump; 2 sets</li> <li>- CO2 Gas Storage Tank 1-3 (after pumping CO2)</li> <li>- Gas Separator; 3 sets (gas steam traps in the CO2 pipeline)</li> <li>- CO2 Gas Compressors; 3 sets</li> <li>- Scrubber Water Tank</li> <li>- Scrubber Water Pumps; 2 sets</li> <li>- In-line Static Mixer (before filling in Carbonator)</li> <li>- HPD Mixing Tank</li> <li>- Carbonate Liquor Tank</li> <li>- Carbonate Liquor Pump 3 (pumped to filter the 1<sup>nd</sup> HPD)</li> <li>- Carbonate Liquor Pump 4 (pumped to filter the 1<sup>nd</sup> HPD)</li> <li>- Filter Press for First Filtration; 5 sets</li> <li>- Raw Sugar Mobile Belt Conveyor 1-2 (used in Warehouse)</li> <li>- Clear Liquor-1 Tank</li> <li>- Clear Liquor-1 Pump 1 (pumped to filter the 2<sup>nd</sup> HPA)</li> <li>- Clear Liquor-1 Pump 2 (pumped to filter the 2<sup>nd</sup> HPA)</li> <li>- HPA Mixing Tank</li> <li>- HPA Prepare Tank 3 (New tank)</li> </ul>				

Asset	Location	Objective of Ownership	Ownership	Encumbrance <sup>1</sup>
<ul style="list-style-type: none"> <li>- Clear Liquor-1 Pump 3 (pumped to filter the 2<sup>nd</sup> HPA)</li> <li>- Carbonate Liquor Pump 5 (pumped to filter the 1<sup>st</sup> HPD)</li> <li>- Filter Press for Second Filtration; 3 sets</li> <li>- Raw Sugar Storage Bin &amp; Hopper (Recovery Station)</li> <li>- Clear Liquor-2 Tank</li> <li>- Clear Liquor-2 Pump; 2 sets</li> <li>- Check Filters; 6 sets</li> <li>- Fine Liquor Tank</li> <li>- Fine Liquor Pump; 2 sets</li> <li>- Cake Hopper</li> <li>- Cake Belt Conveyor</li> <li>- Filter Cake Bin</li> <li>- Milk of Lime Supply Pump; 2 sets</li> <li>- Preheater Plate</li> <li>- Plate Evaporator Effect 1<sup>st</sup> 2<sup>nd</sup> 3<sup>rd</sup></li> <li>- Hot Water HI Pressure Pumps; 4 sets</li> <li>- Hot Water Preparation Tank</li> <li>- Hot Water Supply Pump 2,3</li> <li>- Sweet Water Tank</li> <li>- Condensate Water Tank</li> <li>- Condensate Water Pumps; 2 sets</li> <li>- Concentrated Liquor Pumps; 2 sets</li> <li>- Condenser</li> <li>- R1 Refined Massecuite Vacuum Pan No.5,6</li> <li>- R1 Massecuite Receiver; 2 sets</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; 2 sets</li> <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; 2 sets</li> <li>- Concentrated Liquor Tank</li> <li>- Condensate Tank</li> <li>- Hot Water Tank for R3/R4</li> <li>- R1 Molasse Tank</li> </ul>				

Asset	Location	Objective of Ownership	Ownership	Encumbrance <sup>1</sup>
<ul style="list-style-type: none"> <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; 2 sets</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> <li>- Transformers for CO2 Plant</li> <li>- Lumps Sugar Melter</li> <li>- Spray Water Pump; 2 machines</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> </ul>				

Asset	Location	Objective of Ownership	Ownership	Encumbrance <sup>1</sup>
<ul style="list-style-type: none"> <li>- Air Compressor; 4 machines</li> <li>- Air Compressor Tank; 2 machines</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
<u>Power Plant (BPP)</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>Fertilizer Factory (KBF)</u> <ul style="list-style-type: none"> <li>- 2 machines for classifying granular fertilizers</li> <li>- 3 machines for mixing raw materials and granulating</li> <li>- Equipment and appliance in the factory, furniture, office equipment, and vehicles</li> </ul>	Hinlekhai, Kumueang, Buriram	Fertilizer production	Owner	Collateral
<u>Pulp &amp; Packaging Mill (SEW)</u> <ul style="list-style-type: none"> <li>- Crushing Machine HAIGH</li> <li>- Vacuum Forming Machines</li> <li>- Diesel generators CUMMINS; 600 KVA</li> <li>- Wood pulp grinding machine</li> <li>- 2500 Pcs/Hour Paper Pulp Forming Production Line, Machinery Supply Service</li> <li>- Supply on piping &amp; Installation materials for pulp Preparation</li> <li>- Electric Control Cabinet &amp; Soft-start</li> <li>- Cooling Pad System</li> <li>- Ventilation System</li> <li>- Environment Controller</li> <li>- Electric Cables</li> <li>- Platform:3.5*2.04*5.5m</li> <li>- Hopper SUS304 1000L with PVC Piping at site</li> </ul>	Hinlekhai, Kumueang, Buriram	Packaging production	Owner	Collateral

Asset	Location	Objective of Ownership	Ownership	Encumbrance <sup>1</sup>
<ul style="list-style-type: none"> <li>- Electrical for Level control with wiring at site</li> <li>- Screw Pump 10CU.M/HR(SUS304) 7.5Hp; 6 sets</li> <li>- Aluminum Conveyors W=1400 x L=4000 x H950mm</li> <li>- HIVAC liquid ring vacuum pump mode 2BV-111-</li> <li>- Mixer unit</li> <li>- Conveyor feed (Capacity :100kg. /Min)</li> <li>- Ribbon Mixer (Capac: 1000 kg. /Batch) (SUS304)</li> <li>- Chemical Feed Pump</li> <li>- Platform:3.0 x6.0x5.5 m. (Structure Steel)</li> <li>- Mettler Toledo-Load Cell (Weight control) for Ribbon Mixer1000kg/Batch</li> <li>- Compressor pump7.5HP with Piping at site</li> <li>- Electrical control with wiring at site</li> <li>- Air Compressor 11 KW</li> <li>- Mixer unit (for stirring the bagasse to mix with water.); 2 sets</li> <li>- Screw Pump 10CU.M/HR (SUS 304); 4 sets</li> <li>- Swing Hopper Feed to storage tank</li> <li>- Hopper</li> <li>- Storage tank 20 Ton; 2 sets</li> <li>- Sludge Feed Pump 6" 10 HP; 2 sets</li> <li>-Thermal Oil Pipe Supply; 5 sets</li> <li>-Thermal Oil Pipe Return; 5 sets</li> <li>-Thermal Oil Pipe Machine; 3 sets</li> <li>- Allweiler pump</li> <li>- Globe valve DN150 PN16</li> <li>- Ari Y-Strainer DN150 PN16</li> <li>- Check valve DN150 PN16</li> <li>- Fitting &amp; Accessories</li> <li>- Support for hot oil pipe across the road pipe thickness 3.2t height7.5m x12m.painting</li> <li>- Hot oil 2,000,000 Kcal/hr.</li> <li>- Expansion Tank</li> <li>- Gas station work</li> <li>- Pulp Stirrer Small pulp mill; 8 sets</li> <li>- A3-Automatic (LD-12-1560)</li> <li>- A6-Automatic (LD-12-1560)</li> <li>- A3-Mold for Vacuum Forming Machine</li> <li>- A6-Mold for Vacuum Forming Machine</li> <li>- A3-Electricity-Heating/Oil Heating Mold</li> </ul>				

Asset	Location	Objective of Ownership	Ownership	Encumbrance <sup>1</sup>
<ul style="list-style-type: none"> <li>- A6-Electricity-Heating/Oil Heating Mold</li> <li>- Hydro Extractor Model TL-1000</li> <li>- Pulp Agitator - Small Pulp Mill; 2 sets</li> <li>- Small Sand Filter after Pulp Tank</li> <li>- Pulp Pump 5.5 Kw; 2 sets</li> <li>- Sand Remover Machine (Large)</li> <li>- B038 PRODUCTION MOLD (9 INCH CLAMSHELL BOX)</li> <li>- Pulp Filter and Thickener Machine</li> <li>- Sludge Separator STATIC SCREEN</li> <li>- L038 Bowl Hot Sealing Mold; 2 sets</li> </ul>				

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




BSF's Equipment	Objective of Ownership	Net Value as of December 31, 2020
3 sugarcane harvesters	Sugarcane harvesting service for sugarcane farmers	5,465,449.58

#### 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 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

Trademarks	Objective of Ownership	Registration Date
	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 group include risk insurance and fire insurance, the sum assured as of December 31, 2020 was 9,524,110,000 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, 2020	October 31, 2021	6,730,000,000

Company	Details of Assets Insured	Type of Insurance	Beneficiary	Insurance Date	Termination Date	Insurance Limit (Baht)
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, 2020	October 31, 2021	819,700,000
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, 2020	October 31, 2021	957,200,000
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	BPP	October 31, 2020	October 31, 2021	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	October 31, 2020	October 31, 2021	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, 2020	October 31, 2021	400,000,000
<b>Total</b>						<b>9,524,110,000</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
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

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

- 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
- 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 9 subsidiaries as follows:

Subsidiaries	Investment Proportion (%)
Buriram Sugar Factory Company Limited (“BSF”)	96.90
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
Key Brand Fertilizer Company Limited (“KBF”)	99.99
Sugarcane Ecoware Company Limited (“SEW”)	99.99
BRR Logistics Management Company Limited (“BRLM”)	99.98



## Legal Disputes

As of December 31, 2020, 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.



# General Information and Other Important Information

## 6.1 General Information

### A. Company

Name (listed on SET)	:	Buriram Sugar Public Company Limited (BRR)
Head Office/Factory	:	237 Moo. 2, Hinleklai, 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	:	Manufacturing and distribution of sugar including research and development for improving the quality of sugar cane plantation and nourishment
Head Office/Factory	:	237 Moo.2, Hinleklai, 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 Energy Co., Ltd. (BEC)

Business Type	:	Biomass power plant
Head Office/Factory	:	289 Moo.2, Hinleklai, 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 Power Co., Ltd. (BPC)

Business Type	:	Biomass power plant
Head Office/Factory	:	289 Moo.2, Hinleklai, 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. Key Brand Fertilizer Co., Ltd. (KBF)

Business Type	:	Produce and distribute organic, chemical fertilizer and potting soil
Head Office/Factory	:	161 Moo.16, 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
Website	:	www.thaibf.com

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

Business Type	:	Biomass power plant
Head Office/Factory	:	317 Moo.2 Hinlekkhai, 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

#### 6. 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 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

#### 7. 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

#### 8. 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

## 9. 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 and 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, 303
Fax	:	+66-2216-5823
E-mail	:	ir@brr.co.th
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

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

## 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, 2020 as follows;

Shareholder Nationality	Number of Shareholder	Amount of Share	Percent of Share (%)
Thai Shareholders	2,902	811,468,385	99.92
Foreign Shareholders	1	631,460	0.08
<b>Total</b>	<b>2,903</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>608,644,020</u></b>	<b><u>74.95</u></b>
	Buriram Capital Co., Ltd.	411,024,700	50.61
	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>12,505,100</u></b>	<b><u>1.54</u></b>
	Mr. Somsak Techathiphakorn	6,608,100	0.81
	Mr. Piti Techathiphakorn	3,478,300	0.43
	Mr. Kittisak Techathiphakorn	2,223,300	0.27
	Miss Supreeya Techathiphakorn	96,000	0.01
	Miss Ariya Techathiphakorn	60,000	0.01
	Mr. Preecha Techathiphakorn	39,400	0.00
4.	<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
5.	Mr. Nattaphat Khahanurak	8,928,700	1.10
6.	Miss Sarai Sangdao	5,000,000	0.62
7.	Miss Jutirat Shartpinyo	4,960,100	0.61

8.	Miss Benjamas Nanthawerawat	3,238,000	0.40
9.	Mr. Apirat Pipatgoonchevin	2,400,000	0.30
10.	Ms. Worawan Punyaniran	2,356,800	0.29
<b>Total</b>		<b>708,396,220</b>	<b>87.23</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, 2020 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 2,892 equivalent to 24.69%.

**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, 2020)

Major Shareholder ( de facto control to influence a policy)	Number of Share	Percent of Share(%)
<b>Tangtrongwechakit Group</b>	<b>608,644,020</b>	<b>74.95</b>
Buriram Capital Co., Ltd.	411,024,700	50.61
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	25,320	0.00
Mrs. Sureewan Tangtongwechakit		

## 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	20,490,000	96.90
2	Mr. Anant Tangtongwechakit	1,666	0.008
3	Mrs. Wanphen Punyaniran	1,666	0.008
4	Mrs. Jirawan Pongpichitkul	1,666	0.008
5	Miss Chittima Tangtrongwechakit	1,666	0.008
6	Mr. Sarit Tangtrongwechakit	1,666	0.008
7	Mr. Adisak Tangtrongwechakit	1,666	0.008
8	Mrs. Pakinee Tangtrongwechakit	4	0
9.	Buriram Sugarcane Research and Development Co., Ltd	644,927	3.05
	<b>Total</b>	<b>21,144,926</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 Tangtrongwechakit	1	0
7	Mr. Adisak Tangtrongwechakit	1	0
8	Mrs. Pakinee Tangtrongwechakit	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 Tangtrongwechakit	1	0
7	Mr. Adisak Tangtrongwechakit	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 Tangtrongwechakit	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	3,399,995	99.99
2	Mr. Anant Tangtongwechakit	1	0
3	Mrs. Jirawan Pongpichitkul	1	0
4	Miss Chittima Tangtrongwechakit	1	0
5	Mr. Sarit Tangtrongwechakit	1	0
6	Mr. Adisak Tangtrongweachakit	1	0
	<b>Total</b>	<b>3,400,000</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	1,859,995	99.99
2	Mr. Anant Tangtongwechakit	1	0
3	Mrs. Jirawan Pongpichitkul	1	0
4	Miss Chittima Tangtrongwechakit	1	0
5	Mr. Sarit Tangtrongwechakit	1	0
6	Mr. Adisak Tangtrongweachakit	1	0
	<b>Total</b>	<b>1,860,000</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	639,995	99.99
2	Mr. Anant Tangtongwechakit	1	0
3	Mrs. Jirawan Pongpichitkul	1	0
4	Miss Chittima Tangtrongwechakit	1	0
5	Mr. Sarit Tangtrongwechakit	1	0
6	Mr. Adisak Tangtrongweachakit	1	0
	<b>Total</b>	<b>640,000</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	2,849,997	99.99
2	Mr. Anant Tangtongwechakit	1	0
3	Miss Chittima Tangtrongwechakit	1	0
4	Mr. Adisak Tangtrongweachakit	1	0
Total		2,850,000	100

**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 Tangtrongwechakit	1	0
7	Mr. Adisak Tangtrongweachakit	1	0
Total		30,000	100

## 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, 2020).

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 7.6 years (Contract termination on August 10, 2028) and 14.3 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 status, 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 2017 – 2019**

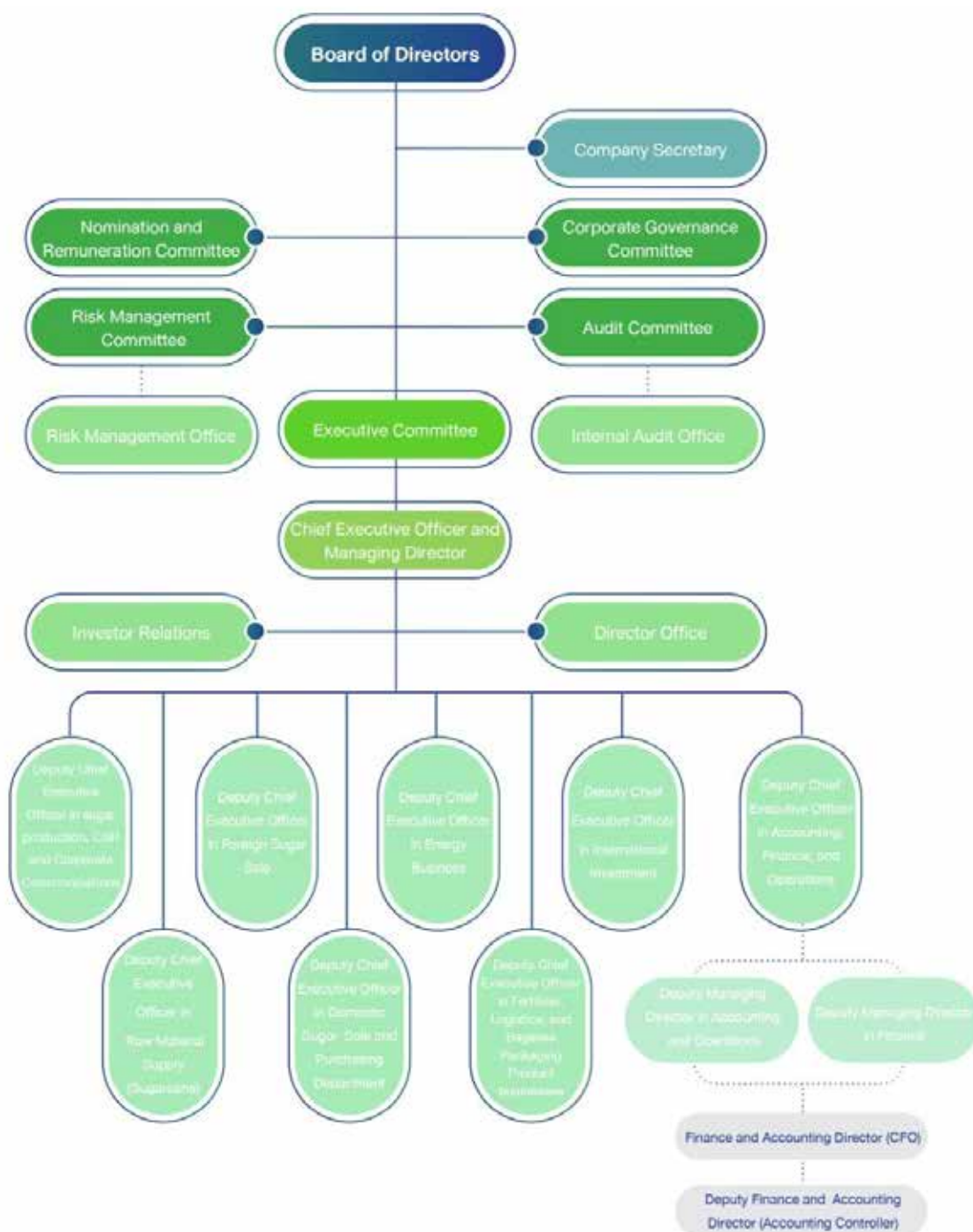
Dividend Payment Detail	2017		2018	2019
	Interim	Annual		
1. Net profit from the consolidated financial statements (Million Baht)	525.41		271.67	Omitted dividend payment for the year ended December 31, 2019 and the allocation of the legal reserve.
2. Number of shares (Million Share)	812.09		812.09	
3. Dividend per share (Baht/Share)	0.15	0.30	0.15	
4. Total dividend payment (Million Baht)	121.81	243.63	121.81	
5. Payout ratio on net profit	70.05%			
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 needed to maintain the revolving fund balance for the operations and investment.	Not in compliance with the company's dividend policy; the Company experienced an operating loss and needed to maintain the revolving fund balance for the operations and investment.

# 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 the Chief Executive Officer 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.

The Meeting of the Executive Committee No. 4/2021 held on Thursday, 18 February 2021 had the resolution to revise the organization structure as follows:



## (2) Management Structure

### 2.1 The Board of Directors

As of December 31, 2020, 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, auditing and laws, the director no. 9 has the knowledge of corporate governance, technologies, and innovation, the director no.10 has the knowledge of marketing strategies, product development, organization management and strategic planning and the director no.11 has the knowledge of taxation, accounting and auditing and others have the knowledge and experience in the business of the company.

Name	Position	Appointed Date
1. Mr. Sirichai Sombutsiri	Chairman of the Board of Directors (Independent Director) and Chairman of Audit Committee	10 January 2020 (Appointed as the Chairman on April 24, 2020)
2. Mr. Anant Tangtongwechakit	Director, Chairman of Executive Committee, Chairman of Risk Management Committee and Chief Executive Officer and Managing Director (Authorized Director/ Executive)	13 September 1988
3. Mrs. Wanphen Punyaniran	Director (Authorized Director/ Director of Subsidiary)	7 July 2012
4. Mrs. Jirawan Pongpichitkul	Director, Member of Executive Committee, Member of Risk Management Committee and Deputy Chief Executive Officer in Raw Material Supply (Sugarcane) (Authorized Director/ Executive)	11 November 2010
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 Deputy Chief Executive Officer in Domestic Sugar Sale and Purchasing Department (Authorized Director/ Executive)	12 May 1995 (Term Expired in 2021)
6. Mr. Sarit Tangtrongwechakit	Director, Member of Executive Committee, Member of Risk Management Committee and Deputy Chief Executive Officer in Energy Business and 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 Deputy Chief Executive Officer in Sugar Production, CSR and Corporate Communications (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
9. Assoc. Prof. Dr. Djitt Laowattana	Independent Director, Member of Corporate Governance Committee, and Member of Nomination and Remuneration Committee	25 April 2018 (Term Expired in 2021)
10. Mrs. Weechadchada Yongsuwankul	Independent Director and Member of Audit Committee	24 April 2020 (Term Expired in 2021)
11. Mrs. Pornpip Sookatup	Independent Director and Member of Audit Committee	24 April 2020

**Remark:** \*Mrs. Weechadchada Yongsuwankul replacing Mr. Vichate Tantiwanich, Independent Director and Member of Audit Committee, resigned on March 11, 2020.

\*\* Mrs. Pornpip Sookatup, replacing Mr. Prachuab Chaiyasan, former Chairman of the Board of Directors (Independent Director) and Chairman of Audit Committee, deceased on April 1, 2020.

#### **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 of Buriram Sugar Public Company Limited No. 9/2020 which was held on December 21, 2020 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 Buriram Sugar Public Co., Ltd. and its subsidiaries (“the Company group”) which should be namely the knowledge or experiences in sugar industry; agricultural crops especially sugarcane, biomass energy, laws, accounting and finance, technologies 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 group 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 exceedingly 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 director 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 chief executive officer or equivalent position 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 chief executive officer or equivalent position 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 qualifications, duties and responsibilities, 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 performance of chief executive officer or equivalent position 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 chief executive officer or equivalent position including instruct the scope of authority of the chief executive officer or equivalent position.
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 the chief executive officer or equivalent 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 the Company group, 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 the chief executive officer or equivalent position**

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 businesses of the company and its subsidiaries. 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 actions 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 chief executive officer or equivalent position, 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 the chief executive officer or equivalent position**

The Board of Directors is aware of remuneration to all Directors, sub-committees and the chief executive officer or equivalent position 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 the chief executive officer or equivalent position before propose to Board of Directors and/or shareholders' meeting (as the case may be) 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 the chief executive officer or equivalent position 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 performance of the chief executive officer or equivalent position and operating results of the company. Board of Directors, sub-committees and the chief executive officer or equivalent position shall receive the proper rate of remuneration in compliance with position, duties and responsibility in work and also the resolution of Board of Directors and/or shareholders' meeting. (as the case may be)

#### **8. Development of the directors and the chief executive officer or equivalent position**

The Board of Directors has policies to promote and facilitate training and educating Directors and those involved in corporate governance systems of the Company such as directors, audit directors and the chief executive officer or equivalent position 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 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 chief executive officer or equivalent position shall introduce the new appointed directors to management and other directors including present the information of BRR and its subsidiaries, such as, organization chart and nature of business including the related information namely the handbook of good corporate governance and code of conduct 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.

*In 2020, the Company organized the orientation program for the 2 new directors (Independent Directors), which held on the same day of the Annual General Shareholders' Meeting (26 August 2020). So, the Chief Executive Officer arranged Company visits at the head office located in Buriram province and provide them significant information concerning Good Corporate Governance and Code of Conduct as well as Anti-corruption Policy and other information relevant to the performance of directors.*

#### **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 the Company Group 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 the chief executive director or equivalent position hold office**

The Board of Directors recognizes the importance of dedication and time of the directors and the chief executive director or equivalent position to perform their duties effectively. In order to maximize the benefit of the company through the directors' and the chief executive director or equivalent position's competence, the Board of Directors has a policy to define the number of listed companies and other

companies that directors or the chief executive director or equivalent position 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 Company group. 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 Chief Executive Director or equivalent position's holding office as a director or an executive of other companies or listed companies that are not a subsidiary of Buriram Sugar Public Co., Ltd. and its subsidiaries 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 Company 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, 2020, the Audit Committee has consisted of 3 members as follows.

Name	Position
<b>1. Mr. Sirichai Sombutsiri*</b>	Chairman of the Audit Committee
<b>2. Mrs. Seenual Tasanapant</b>	Audit Committee Member
<b>3. Mrs. Weechadchada Yongsuwankul*</b>	Audit Committee Member
<b>4. Mrs. Porntip Sookatup*</b>	Audit Committee Member

Remark: 1. The Board of Director's meeting No.3/2020 of Buriram Sugar Public Company Limited which was held on April 24, 2020 had the resolution to appoint Mr. Sirichai Sombutsiri, Independent Director and Audit Committee Member, as the Chairman of Audit Committee and Mrs. Weechadchada Yongsuwankul, Independent Director, and Mrs. Porntip Sookatup as Audit Committee Members, effective from May 1, 2020 onwards. The 4 directors are auditing directors who have sufficient knowledge and experience to review the reliability of financial statements.

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. 9/2020 on December 21, 2020 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, 2020, the Risk Management Committee has consisted of 5 members as follows.

<b>Name</b>		<b>Position</b>
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. 9/2020 held on December 21, 2020 with no amendment 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 to risk management in the organization including regulate the system and risk management procedures to minimize the effects on the business of the company appropriately therefore the composition is provided efficiently which is assigned by Board of Directors.

#### **Composition**

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

#### **Tenure**

1. The tenure of risk management committee is in the same period of the Board of Directors'. Regarding the expired term of service, he or she can be elected for a new position as the Board of Directors seems appropriate.
2. The Risk Management Directors who retired by rotation may be appointed to the position again. If approved by the Board of Directors.
3. Apart from the retirement by rotation the Risk Management Directors will be retiring as follow situation.
  - Decease
  - Resign
  - Incompetent or take any illegal action in accordance with Public Limited Company Act B.E. 2535 and Securities and Exchange Act B.E.2535 (as amended).
  - The resolution from Board of Directors' meeting
  - The court orders

#### **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, 2020, the Corporate Governance Committee has consisted of 4 members, which have 2 independent directors equivalent to 66% 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. 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. 9/2020 on December 21, 2020 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 perform duties as 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 director attending the meeting 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 attending the meeting 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, 2020, the Nomination and Remuneration Committee has consisted of 4 members which have 2 independent directors equivalent to 66% as follows:

<b>Name</b>	<b>Position</b>
1. Mrs. Seenual Tasanapant	Chairman of Nomination and Remuneration Committee (Independent Committee)
2. Assoc. Prof. Dr. Djitt Laowattana	Nomination and Remuneration Committee Member (Independent Committee)
3. Mr. Adisak Tangtrongwechakit	Nomination and Compensation Committee Member

**Remark:** \*The Board of Director's meeting No.9/2020 of Buriram Sugar Public Co., Ltd. which was held on December 21, 2020 has the resolution to appoint Assoc. Prof. Dr. Djitt Laowattana, independent director, as Nomination and Remuneration Committee member replacing Ms. Chittima Tangtrongwechakit, director who resigned as Nomination and Remuneration Committee member on December 11, 2020.

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.9/2020 on December 21, 2020. 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 perform duties as 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 Have the knowledge and ability to recruit the right directors and the chief executive officer or equivalent position and consider remuneration including knowledge related to the businesses of the Company 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 the chief executive officer or equivalent position 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 including selection of the Committees who qualified according to the criteria, and present to the Board of Directors and shareholders' meeting for approval respectively as well as selection and nomination of the chief executive officer or equivalent position.
- 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 the chief executive officer or equivalent position, and senior executives 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 the chief executive officer or equivalent position 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 the chief executive officer or equivalent position 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 and sub-committees to motivate and retain the personnels 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, as well as offer appropriate compensation and/or other benefit to the chief executive officer or equivalent position.
- 3.2.3 Define the performance evaluation of directors, sub-committees and the chief executive officer or equivalent position for the proper annual compensation.
- 3.2.4 Disclose the criteria and information of remuneration and/or other benefit of directors, sub-committees, and the chief executive officer or equivalent position, 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 the chief executive officer or equivalent position 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, sub-committees, and the chief executive officer or equivalent position 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, 2020, the Executive Committee has consisted of 5 members as follows.

Name		Position
1.	Mr. Anant Tangtongwechakit	Chairman of Executive Committee (Chief Executive Officer and 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 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. 9/2020 on December 21, 2020 with no amendment. The details are 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 perform duties as 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 Public Co., Ltd. and its subsidiaries 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 scope of 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 regulaions.

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, 2020, the executives of the company according to the definition of the notification of the Capital Market Supervisory Board consist of 6 members as follows:

Name	Position
1. Mr. Anant Tangtongwechakit	Chief Executive Officer and Managing Director
2. Mrs. Jirawan Pongpichitkul	Deputy Chief Executive Officer in Raw Material Supply (sugarcanes)
3. Miss Chittima Tangtrongwechakit	Deputy Chief Executive Officer in Domestic Sugar Sale and Purchasing Department
4. Mr. Adisak Tangtrongwechakit	Deputy Chief Executive Officer in Sugar Production, CSR and Corporate Communications
5. Mr. Sarit Tangtrongwechakit	Deputy Chief Executive Officer in Energy Business and International Investment
6. Mr. Pitak Chaosoun	Duputy Managing Director in Financial and Operations Group (CFO)

In addition, the Chief Executive Officer and equivalent position possesses the composition, appointment and scope of duties as follows:

### **Composition and appointment of the Chief Executive Officer and equivalent position**

In the nomination of the Chief Executive Officer and equivalent position 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 of the Chief Executive Officer and equivalent position**

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 Chief Executive Officer and equivalent position's authority as seems appropriate and 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 Chief Executive Officer and equivalent position or authorized persons who have conflict of interest with company and/or subsidiaries and/or related companies the Chief Executive Officer and equivalent position 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.

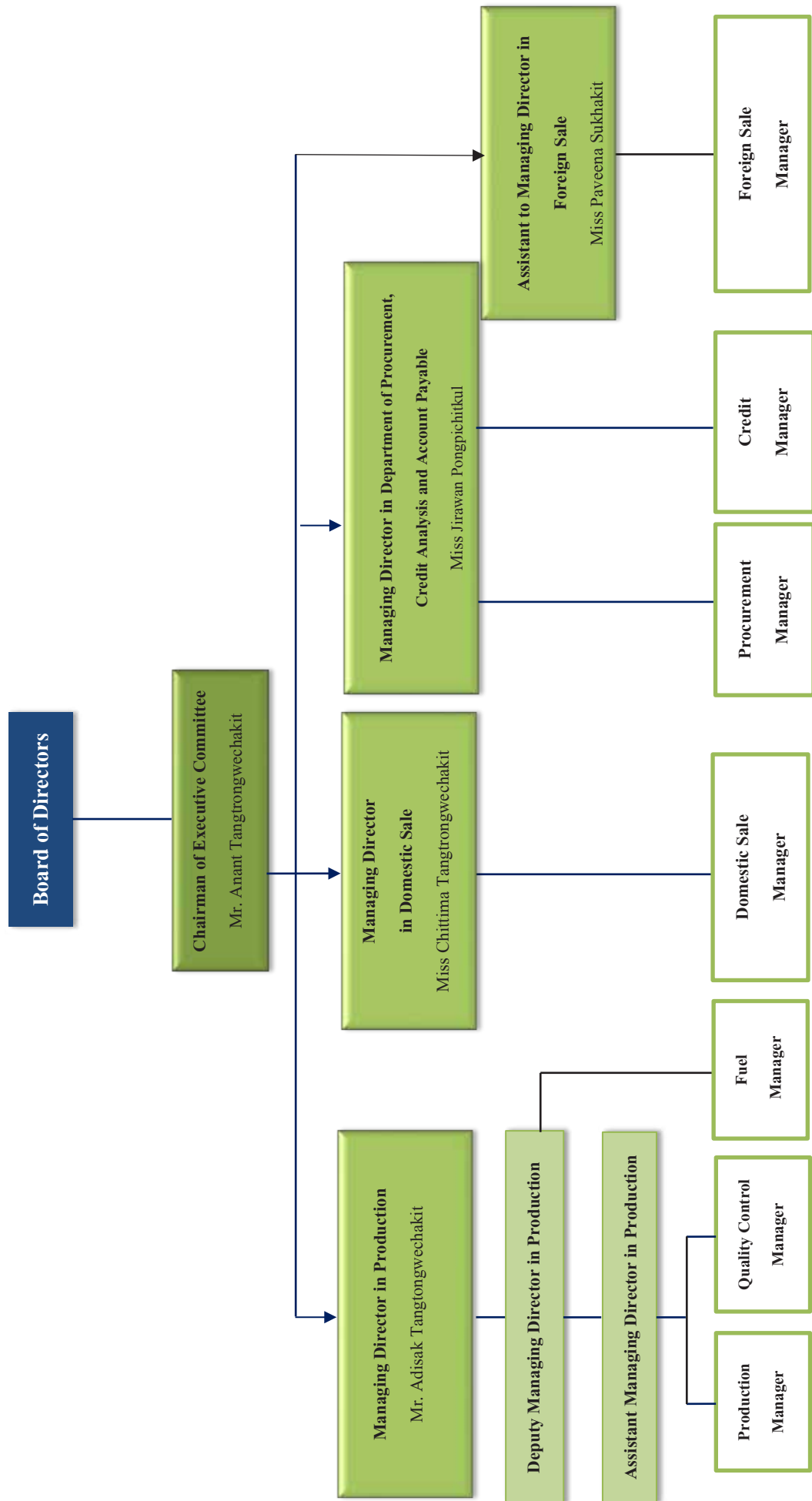
#### 2. The Responsibility

- 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 2020, Board of Directors consisted of 5 members as follows;

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

### Executives

As of 31 December 2020, there are 7 executives as follows;

Name	Position
1. Mr. Anant Tangtongwechakit	Chairman of Executive Committee
2. Mr. Adisak Tangtrongwechakit	Managing Director in Production
3. Miss Chittima Tangtrongwechakit	Managing Director in Domestic Sale
4. Miss Jirawan Pongpichitkul	Managing Director in Raw Material Supply, Credit Analysis and Account Payable
5. Mr. Yanyong Kittithatphongphon	Deputy Managing Director in Production
6. Mr. Nopant Phoolsap	Assistant Managing Director in Production
7. Ms. Paveena Sukhakit	Assistant Managing Director in Foreign Sale

### (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 Chief Executive Officer and equivalent position's 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 persons to have power to perform any acts as needed such as executive committees and the chief executive officer and equivalent position, senior executives, and employees of the Company. (which have the scope of duties according to the charters) Therefore, the details are as follows:

##### 6.1 Authority to Approve Limits for Operating a Normal Transaction

Approval	Chief Executive Officer and Managing Director	Deputy Chief Executive Officer	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 exceedingly 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 of the Company

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 2020 Annual General Meeting of Shareholders on August 26, 2020 had the resolution to approve the 2020 remuneration for directors and sub-committees of the company. The total remuneration amount was 2,881,666 in which the amount of annual bonus declined 20%. The amount of such remuneration was not paid to any executive directors. The remuneration amount was paid to only independent directors and/or the directors who has not occupied an executive position in the Company or its subsidiaries, which effective from

April 2020 onwards. The Board of Directors proposed to reduce the remuneration amount as the Company's operation of 2019 is at loss and in accordance with the economic condition at present and the good corporate governance.

Position	2020	
	Remuneration (Baht/Month)	Bonus (Baht)
Chairman of Board of Directors	15,000	320,000
Directors	10,000	120,000
Chairman of Audit Committee	15,000	120,000
Audit Committee Member	10,000	80,000
Chairman of Risk Management Committee	-	-
Risk Management Committee Member	-	-
Chairman of Executive Committee	-	-
Executive Committee Member	-	-

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

Position	2020
	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	2020
Mr. Prachuab Chaiyasan	Former Chairman of the Board of Directors (Independent Director)/ Chairman of Audit Committee (deceased on April 1, 2020)	910,000	200,000
Mr. Anant Tangtongwechakit	Director/ Chairman of Executive Committee/ Chairman of Risk Management Committee	930,000	120,000
Mrs. Wanphen Punyaniran	Director (Executive of subsidiary)	270,000	30,000
Mrs. Jirawan Pongpichitkul	Director/ Member of Executive Committee/ Member of Risk Management Committee	710,000	90,000
Miss Chittima Tangtrongwechakit*	Director/ Member of Executive Committee/ Member of Risk Management Committee/ Member of Nomination and Remuneration	750,000	110,000

	Committee/ Member of Corporate Governance Committee		
Mr. Sarit Tangtrongwechakij	Director/ Member of Executive Committee/ Member of Risk Management Committee	710,000	90,000
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	110,000
Mr. Sirichai Sombutsiri*	Chairman of the Board of Directors (Independent Director)/ Chairman of Audit Committee (appointed as Chairman of the Board of Directors and Chairman of Audit Committee, effective on May 1, 2020)	550,000	680,000
Mrs. Seenual Tasanapant*	Director (Independent Director)/ Member of Audit Committee/ Chairman of Corporate Governance Committee/ Chairman of Nomination and Remuneration Committee	550,000	515,000
Assoc. Prof. Dr. Djitt Laowattana*	Director (Independent Director)/ Member of Corporate Governance Committee	170,000	260,000
Mr. Vichate Tantiwanich*	Director (Independent Director)/ Member of Audit Committee/ Member of Nomination and Remuneration Committee	170,000	90,000
Mrs. Weechadchada Yongsuwankul	Director (Independent Director) / Member of Audit Committee (replacing Mr. Vichate Tantiwanich, effective on May 1, 2020)	-	293,333
Mrs. Porntip Sookatup	Director (Independent Director) / Member of Audit Committee/ (replacing Mr. Prachuab Chaiyasan, effective on May 1, 2020)	-	293,333
<b>Total</b>		<b>5,930,000</b>	<b>2,881,666</b>

**Remark:** The annual bonus was declined 20% and the remuneration amount was not paid to any executive directors. The amount of such remuneration was paid to only independent directors and/or the directors who has not occupied an executive position in the Company or its subsidiaries, which effective from April 2020 onwards.

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

The remuneration for individual directors in 2020, receiving from BSF which is a subsidiary operating the main business is paid in the form of monthly remuneration and annual bonus at the fixed rate. The Board of Directors had the resolution to propose that the annual remuneration is not paid to the executive directors of BSF, which effective from April 2020 onwards as the Company's operation of 2019 is at loss and in accordance with the economic condition at present and the good corporate governance.

In 2019 - 2020, the remuneration for **Board of Directors** of BSF is as follows:

Name of Directors	Position	Remuneration (Baht)	
		2019	2020
Mr. Anant Tangtongwechakit	Chairman of the Board of Directors	580,000	90,000
Mrs. Jirawan Pongpichitkul	Director	270,000	60,000
Miss Chittima Tangtrongwechakit	Director	270,000	60,000
Mr. Sarit Tangtrongwechakit	Director	270,000	60,000
Mr. Adisak Tangtrongwechakit	Director	270,000	60,000
<b>Total</b>		<b>1,660,000</b>	<b>330,000</b>

In 2019 - 2020, the remuneration for **Executive Directors** of BSF is as follows:

Name of Directors	Position	Remuneration (Baht)	
		2019	2020
Mr. Anant Tangtongwechakit	Chairman of the Executive Committee	330,000	90,000
Mrs. Jirawan Pongpichitkul	Executive Committee Member	220,000	60,000
Miss Chittima Tangtrongwechakit	Executive Committee Member	220,000	60,000
Mr. Sarit Tangtrongwechakit	Executive Committee Member	220,000	60,000
Mr. Adisak Tangtrongwechakit	Executive Committee Member	220,000	60,000
<b>Total</b>		<b>1,210,000</b>	<b>330,000</b>

**Remark:** In 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 2019 and 2020, 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	
	2019	2020	2019	2020
<b>Number of Executives (Persons)</b>	9	9	7	6
<b>Remuneration (Baht)</b>	28,470,815	24,420,450	17,469,958	15,314,518

**Remark:** The remuneration of the company's and BSF's executives as mentioned above included the remuneration of Mr. Anant Tangtongwechakit, chief executive officer and 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 which operate in the primary business as shown in section 7.1-7.3 have disclosed that the remuneration and accrued benefits from previous year 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.

In addition, the Board of Directors and the Nomination and Remuneration Committee have considered that the remuneration structure including the criteria setting 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, BRR and its subsidiaries 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 BRR and its subsidiaries.

### 8.1 Manpower and Compensation

As of 31 December 2020, the company and subsidiaries employed 875 full-time workers and 868 part-time workers.

**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 for BRR Logistics Management Co., Ltd. (BRLM), it has been operated in 2020.

Company	2019				2020			
	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	144	80	224	86.17	140	81	221	74.50
BSF	302	975	1,277	203.65	300	668	968	152.76
BEC	65	0	65	16.87	66	1	67	15.33
KBF	41	20	61	12.33	48	11	59	12.23
BRD	148	48	196	50.59	148	42	190	17.32
BPC	55	0	55	11.40	55	0	55	10.43
BPP	51	0	51	10.09	51	0	51	9.25
SEW	22	158	180	10.20	60	63	123	21.93
BRLM	-	-	-	-	7	2	9	3.06
<b>Total</b>	<b>828</b>	<b>1,281</b>	<b>2,109</b>	<b>401.28</b>	<b>875</b>	<b>868</b>	<b>17,34</b>	<b>316.81</b>

The compensation of employees as mentioned above is considered in the satisfactory level of the compensation rate compared to labor market. In 2019 and 2020 the compensation of employees includes salary, wage, shift, overtime, bonus, allowance and provident fund.

### 8.2 Provident Fund and Other Benefits

#### Provident Fund

Buriram Sugar Public Co., Ltd. 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 BRR 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 BRR 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, BRR and its subsidiaries paid the allowance for provident fund totaling 5,145,362 Baht. In addition, the number of employees who are the member of provident fund for long-term saving is currently 465 workers of the entire number of 875 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 2020, Buriram Sugar Public Co., Ltd. and its subsidiaries paid for contribution in amount of 5,145,362 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 2019 compared to 2020. The details are as follows:

Contribution for Senior Executives	2019		2020	
	Persons	Amount	Persons	Amount
BRR	9	1,000,767	9	1,001,865
BSF	7	550,089	6	644,633

#### **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.

Buriram Sugar Public Co., Ltd. and its subsidiaries realize and concern 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 2020, the statistics of accidents/accidental injuries and absenteeism was decreased from 2019. 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

	2019	2020	%
Accident/ Accidental Injury	14	5	35.00
Absenteeism	138	28	20.00

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



#### ■ 2020 Annual Safety Activities

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

##### First Aid Training

On July 23, 2020 with 75 employees who participated in this event at the School of Agriculturist and lectured by the lecturers from Buriram Ram hospital.



##### Operation in Confined Spaces

On September 9-10, 2020, there were 30 employees (Buriram Energy Co., Ltd., Buriram Power Co., Ltd. and Buriram Power Plus Co., Ltd.) who participated in this event at human resources training room, and lectured by lecturers from NSA Solution Co., Ltd.



#### Four Crane Operation Training Course

On August 28-29, 2020, there were 30 employees from Buriram Sugar Factory Co., Ltd. who participated in this event. This training course is designed to provide workers with extension of knowledge on safety and legal requirements in term of crane operation, held at human resources training room, and lectured by lecturers from NSA Solution Co., Ltd.



#### 2020 Basic Fire Fighting and Evacuation Fire Drill Training

This course was organized on August 21, 2020 to 60 employees of Buriram Sugar Public Company Limited and Buriram Sugar Factory Company Limited, to 60 employees of power plant business group on October 6, 2020, and to Key fertilizer Public Company Limited on October 6, 2020, lectured by the lecturer from K.N. Safety Training Center at outdoor activity areas and training room of each company.



#### 2020 Annual Safety Activity Week/ Big Cleaning Day (December 14, 2020)

BRR and its subsidiaries 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.



### 2020 Annual Health Check-ups

In 2020, BRR and its subsidiaries provides the Annual Health Check-ups on November 2-3, 2020 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.



### 2020 Stationary crane inspection and operation training course



### 2020 Power plant operations training courses



### 2020 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.



## 2020 Enviromental Inspection of the establishment (Light, Sound, Heat, and Dust)

BRR and its subsidiaries 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 Public Co., Ltd. and its subsidiaries. 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 Buriram Sugar Public Co., Ltd. and its subsidiaries 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**

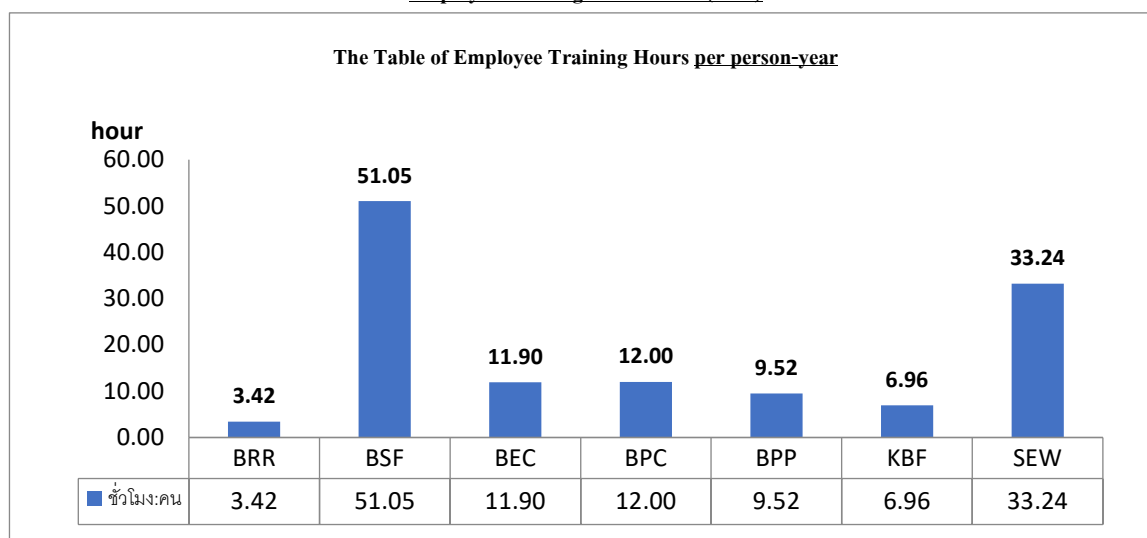
The company will provide scholarships for staff members in higher education and graduate studies. Thus, the staff must use their knowledge to work for the company under the condition of tuition reimbursement.

**Training** since 2016 to present, Buriram Sugar Public Co., Ltd. and its subsidiaries 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**, BRR, and its subsidiaries has always provided supports for staffs by providing trainings and seminars including encouraging 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 (2020)**



#### **Types of Training Course in 2020**

Types of Training Course	Number of Participants	Training Hours	Total Training Hours
Environment	131	6	786
Occupational Health and Safety	268	70	2,430
Quality Control	593	90	3,768
Good Governance and Ethics/ Laws/ Anti-Corruption	382	33	1,660
Knowledge and Skill Development in Work/ Leadership Skill/ Communication Skill and Others	652	288	18,372
<b>Total</b>	<b>2,026</b>	<b>487</b>	<b>27,016</b>

#### **Example of Internal and External Training Courses in 2020**

##### **Executive Level**

- Financial Model 2-Fensibility Study
- Accounting and Tax planning for Business
- Employee Benefits
- Excellent Fiancial Gurus for fund management worth 9.5 Billion Baht
- Corporate Income Tax for Business with the support of investment
- Strategy and Finanacial Analysis with Full-service (27 strategies for financial analysis)

- Techniques for analysing and publishing Financial Statements presented in Annual Report
- Entrepreneurial Finance

#### Management Level

- ISO/IEC 17025:2017
- FSSC 22000 Version 4.1 Requirement & Interpretation
- Control system for industrial waste and pollution management
- GHPS&HACCP System Draft Revision 5-2020
- Field Property Appraisal
- Security Officer in Management Level
- Vector Control

#### Operation Level

- Sugarcane Nutrient Requirements
- Halal according to Islamic law
- Crane operator training
- Principle and use of measuring tools
- Welding
- Use of PM, Moisture meter, pH meter
- Use of Sugarcane nutrient for improving cane productivity
- TIG welding, Thin Steel Plates
- Safety on Confined Space
- Document Control in an ISO 9001:2015 Quality Management System
- Introduce & Awareness for ISO 9001:2015
- Electrical Safety related work practice
- ISO 9001:2015 Internal Quality Audit
- Risk Management for ISO 9001:2015, Risk Analysis, and Context of Organization

**In term of activities in 2020**, Buriram Sugar Public Co., Ltd. and its subsidiaries organized the projects for knowledge improvement and emergency case management for the Covid-19 crisis. This activity was arranged for the executives, employees, and stakeholders systemically by highlighting communicating, proactive working, creating understanding, and organizing the activities to continue preventing the pandemic from 2020 through to the present.



## **The Human Resource Development Plan**

The Human Resource Development plan of BRR and its subsidiaries 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 Public Co., Ltd. and its subsidiaries 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. The Company group 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. The Company group 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.

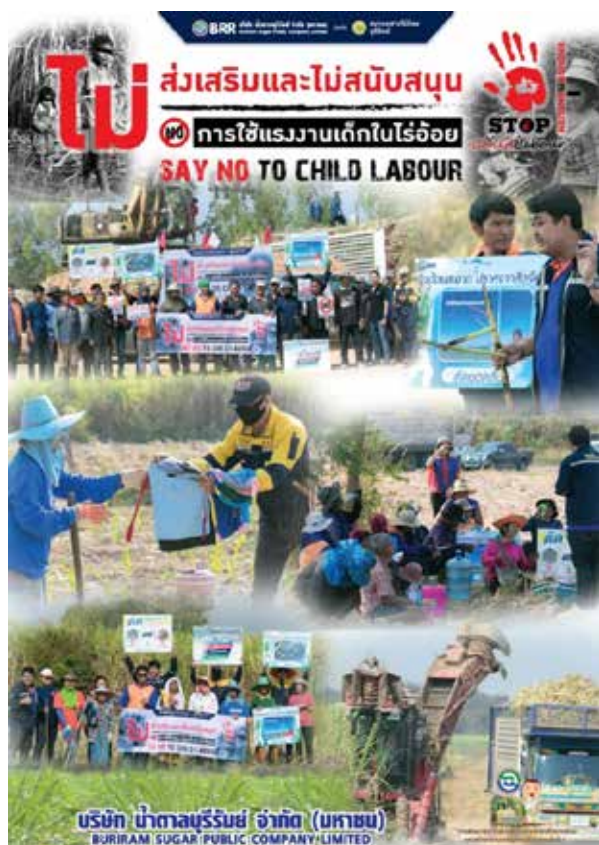
### **BRR says no to child labour in a sugarcane plantation**

In 2020, BRR and its subsidiaries 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 including collaborations and agreements from sugarcane farmers. Besides, the sugarcane farmers association is the center to oversee and monitor the sugarcane farmers on such issue.

Presently, BRR and its subsidiaries has operated the campaign against the child labour continuously for 5 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. Also, the Company group communicated by means of attaching campaign notices on preventing child labour

at sugarcane planting promotion areas where the Company's 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.



## 9.1 Corporate Governance Policy

The Board of Directors recognizes the importance of corporate governance implementation within the company. An aim to run the Buriram Sugar Public Co., Ltd. and its subsidiaries (“the Company group”) 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. 1/2020 held on February 23, 2021 has approved the publication of Good Corporate Governance and Code of Conduct Handbook 5<sup>th</sup> Edition (“CG Handbook”), and it is disclosed on the company’s website [www.buriramsugar.com](http://www.buriramsugar.com) and e-mail notifications 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 and includes an additional issues related to anti-corruption, 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 Public Co., Ltd. and its subsidiaries 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 2020

are described as follows;

### **1) Rights of Shareholders**

BRR and its subsidiaries (“the Company group”) 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 2020 as follows;

- The company recognizes the importance of shareholders; therefore, the location and reception must be at their convenience. Thus, the 2020 Annual General Meeting of Shareholders was held on Wednesday 26 August, 2020 at 13.00 AM at the School of Agriculturist, Buriram Sugar Public Company Limited (Head office) No. 237 Moo. 2 Baan Sao-Ae, Hinlekhai, Kumeung, Buriram Province 31190. For those shareholders in Bangkok office area, two vans from Bangkok to Buriram were provided to facilitate shareholders, who wanted to attend the meeting, in front of Payatai Plaza Building. There were 8 shareholders travelling from Bangkok to attend the meeting and the Company was aware of and concerns about the risk of Covid-19 infection, as well as the safety of the shareholders. Therefore, the Company facilitated the shareholders who would not attend the meeting in person to be able to watch the live broadcast of the AGM via Facebook Live of CSR and Corporate Communications department or CSR BRR of Buriram Sugar Public Company Limited.
- 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 2020 Annual General Meeting of Shareholders 55 days 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 2 July 2020 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 2020 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. (Due to the specific situation of COVID-19 outbreak, the meeting was postponed to August 26, 2021)

- 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 2020 Annual General Meeting of Shareholders, the company authorized, Mrs. Weechadchada Yongsuwankul, Independent Director and Member of Audit Committee (No the company's shares at the date of 2020 Annual General Meeting of Shareholders) and Assoc. Prof. Dr. Djitt Laowattana, Independent Director and Member of Corporate Governance Committee (No the company's shares at the date of 2020 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 2020 Annual General Meeting of Shareholders, there were 8 agenda for consideration, and 1 agenda for acknowledgment, which consumed about 2 hours and 45 minutes from 1.00 pm – 3.45 pm. The meeting, where the directors and relevant management attended, was managed and carried on transparently, and the shareholders were given an opportunity to share opinions and ask related issues thoroughly. If there is any question irrelevant to specified agenda, the chairman will let such questions or give answers to the agenda of others in order to take suitable time to consider each agenda, and it will not consume that time or intrude on other shareholders' right.
- Prior to the commencement of the meeting pursuant to the agenda, the company explained the voting right and vote-counting procedures clearly specified in the company's articles of association, casting votes in each agenda, using ballot papers for casting votes in each agenda and agenda of nominating directors. In order to cast votes on nominating directors individually, ballot papers are separate for each nominated directors. The Barcode System was used to count votes with a convenient, timely, and transparent way, as well as the company's auditor and lawyer acted as inspectors counting votes. All mentioned procedures were recorded in minutes of annual shareholders' meeting with voting results identifying the number of "agreed", "disagreed", "abstained" votes and voided ballot in each agenda required casting votes. In addition, the opportunity of being an inspector of counting votes was given to shareholders or proxies attending the meeting. In 2020, Ms. Jarunya Buntherng, Proxy who attended the meeting in person, volunteered for eyewitness of vote counting. 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 2020 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 2020, 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 capital increase of subsidiaries, 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 November 2, 2019 until February 1, 2020 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 2020, no additional candidate to be considered as a director, question, nor suggestion was proposed by a shareholder. However, there is the agenda item regarding the share repurchase proposed by the shareholder. This matter was then notified to the Board. But, the Company could not include such proposed matter into the agenda of the shareholders' meeting and accept the proposal as requested by the shareholder since the Company's qualification was not eligible for share repurchase according to 66/1 (2) Public Companies Limited Act, B.E. 1992 in accompanied with No. 6 (1) of Ministerial Regulation Prescribing Rules and Procedures for the Repurchase of Shares, Disposal of Repurchased Share and Deduction of Repurchased Share of Companies, B.E. 2001. There was no excess liquidity within the Company, by considering the capability to debt repayment within the next 6 months. If buying back the shares, it will affect the Company's debt repayment, 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. The Annual General Meeting on Wednesday 26 August 2020, Chairman of the Board of Directors and directors totaling 10 persons from 11 persons, equivalent to 90.90%, 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, Corporate Governance Directors, and Nomination and Compensation Directors including managing director, senior executives of the Company, particularly senior executives in accounting and finance, accounting controller 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**

The Company group treats all shareholders equally and fairly. Thus, the Board of Directors reviewed and approved the amendment of such policy on February 23, 2021 and the operations in 2020 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 2020, 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. However, there is the agenda item regarding the share repurchase proposed by the shareholder. This matter was then notified to the Board. But, the Company could not include such proposed matter into the agenda of the shareholders' meeting and accept the proposal as requested by the shareholder since the Company's qualification was not eligible for share repurchase according to 66/1 (2) Public Companies Limited Act, B.E. 1992 in accompanied with No. 6 (1) of Ministerial Regulation Prescribing Rules and Procedures for the Repurchase of Shares, Disposal of Repurchased Share and Deduction of Repurchased Share of Companies, B.E. 2001. There was no excess liquidity within the Company, by considering the capability to debt repayment within the next

6 months. If buying back the shares, it will affect the Company's debt repayment. , which was notified to the Board of Directors and the shareholders at the meeting already.

- 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 August 19-21, 2020 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 July 24, 2020. 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 August 4, 2020 prior to the meeting date.
- At the 2020 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 Company 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. In 2020, there is no any changes in securities holdings of directors and executives.
- 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 2020 on such issue stated in item no. 1: Rights of Shareholders).

**The summary of voting in each agenda on the 2020 Annual General Meeting of Shareholders held on Wednesday 6 August, 2020**

Agenda No.	Agree		Disagree		Abstention		Voided Ballot	
	Votes	%	Votes	%	Votes	%	Votes	%
1	548,689,730	100.0000	0	0.0000	0	0.0000	0	0.0000
3	548,689,730	100.0000	0	0.0000	0	0.0000	0	0.0000
4	548,689,730	100.0000	0	0.0000	0	0.0000	0	0.0000
5.1	548,284,610	100.0000	0	0.0000	120	0.0000	0	0.0000
5.2	548,689,730	100.0000	0	0.0000	0	0.0000	0	0.0000
5.3	548,689,730	100.0000	0	0.0000	0	0.0000	0	0.0000
5.4	515,800,610	100.0000	0	0.0000	120	0.0000	0	0.0000
6	548,688,730	99.9998	0	0.0000	1,000	0.0002	0	0.0000
7	548,688,730	100.0000	0	0.0000	1,000	0.0000	0	0.0000
8	548,688,730	99.9998	0	0.0000	1,000	0.0002	0	0.0000

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

### **3) Role of Stakeholders**

The Company group recognizes and prioritizes on the right of all stakeholders both internal stakeholders such as shareholders, employees, and external stakeholders of BRR and its subsidiaries such as customers, business partners, competitors, creditor, nearby communities, and environment as well as government agencies, and other related organizations. Thus, The Company group 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 The Company 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 2020, 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, The Company group 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 2020 in the Investor Relations section of the company's website.

For Annual Report 2020 and Annual Registration Statement (Form 56-1) in 2020, 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 2020 (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 Public Co., Ltd. and its subsidiaries 's amount of employees attending trainings and hours of trainings in 2020, examples of in-house and external training courses in 2020, activities of human resource development in 2020, 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 The Company 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 2020 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 2020, 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 The Company group 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 2020.

#### **Mission**

The Company group prioritizes to create a business growth along with sustainable community and society. The company determines procedures of raw materials management, and promotes academic excellence of growing sugarcanes. 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, residues from sugarcane plantation and sugar production can be managed and maximized the benefit. To achieve the goals, The Company group has a mission as follows;

1. Instill understanding mechanisms with all stakeholders equally.
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**

The Company group 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 Company 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 The Company group' 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 Company 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 Company 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 2020, 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 and 1 day after 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**

The Company group 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. The Company group has a protection measure for employees who report an illegal activity or any violations against the Securities and Exchange Act. The Company 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. Moreover, the company will not demote or sanction or have negative effect on an employee who turns down the corruption scheme even such action would have the company lose the business opportunity.
2. The Company group will treat all employees equally without discrimination of race, nationality, gender, age, skin tone, religion and education.
3. The Company group has recognized that employees are the key factor for producing a quality product. Thus, all employees are treated with fairness and equality in employment, compensation, promotion, rotation, and development of their potentials and morality in order to ensure that the employees are competent and good persons for the society, which is determined the guidelines as follow;
  - 3.1 Follow the laws and regulations related to the employees strictly.
  - 3.2 Treat the employees with politeness and respect the individuality and dignity of humanity, according to the global human right principles.

- 3.3 The Board of Directors and executives will support and promote all employees to express their potentials by managing an appropriate compensation and encouraging the working motivation such as salary, bonus and welfare as appropriate based on The Company group 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' skill and potential development by training and educating them thoroughly and consistently.
- 3.8 The Company group provides a provident fund for employees.
- 3.9 Notify the current operations and status of The Company group to employees regularly.
- 3.10 Instill a good conscience to employees to be a giver and a good citizen in society.
- 3.11 Provide a whistle-blowing channel for employees in case of unfair treatment or reporting a suspicious issue on illegal actions. The systematic solutions and whistle-blower protection measures are all settled appropriately and fairly.
- 3.12 The Company group and organizational representatives must support the political right of employees with neutrality.
- 3.13 Encourage the participation of employees to give suggestions and guidance for working procedures and/or any agreement for the benefit of all parties, and build the good relationship and harmony in the workplace as a strong organizational culture.
- 3.14 Encourage employees to participate in internal and external activities beneficial to the organization and society in order to drive the mutual participation and organizational commitment as the supervisors deem appropriate.
- 3.15 Give an opportunity to receive all employees' comments and suggestions equally and fairly.
- 3.16 Provide a whistle-blowing channel for employees to report about illegal or violating issues together with the whistle-blower protection.

*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 in 2020 BRR and its subsidiaries have 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 2020, 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 2019/20, 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 52.00 %. The main score is from the quality with no contaminant 92.00 % and the ICUMSA values of sugar color 68.00 %
- Service of domestic sales department was in criteria of Very satisfied 76.00%. The main score is from the service which responded directly to the customer needs, politeness in communication and the integrity of sales documentation 80.00%.
- Service of other related departments was criteria in Very satisfied 68.00%. The main score is from the service of employees in weighing room 40.00% and warehouse 32.00%.
- Other overall comments: Brown sugar should be darker in color. The size of sugar granules should be improved to be invariable and equal and a sack of sugar was badly stitched or (tattered).

### **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 2020, 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 2020.

### **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 2021, 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. *In 2020, the Company has been affected by the COVID-19 outbreak, so it negotiated with creditors in an effort to extend its debt repayment periods.*

### **3.7 Policy on the treatment of business competitors**

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

*In 2021, 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**

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

1. Determine to practically participate in employee and social responsibility in term of occupational health and safety constantly.
2. Cultivate the consciousness on the occupational health and safety in all level of employees practically and constantly.
3. Prevent the accident in workplace and control all the operations in the standard level.
4. Provide the terms and conditions concerning to life and property safety for employees in workplace including the sufficiency and quality of equipment and their appropriate maintenance.
5. Determine to practice in accordance with the rules of safety and wear the safety equipment individually as specified by the Company 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 2020, 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 2020.

### 3.9 Corporate social responsibility

BRR and its subsidiaries 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. Residues from sugar plantation and sugar production should be used to support CSR projects for the benefit of The Company group and society.

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

#### 4) Disclosure of Information and Transparency

The Company group prioritizes the information which is must be notified to the Stock Exchange of Thailand, the Securities and Exchange Commission ("SEC"), shareholders and related agencies. The Company group has a policy on disclosure of information and transparency as follows;

- Disclose significant data on financial and non-financial information related to business, operating results on facts, completely, sufficiently and timely. The financial statements must be reviewed and audited by the auditor to ensure that the financial statements are accurate in line with the accounting standard which is generally accepted, and approved by the Audit Committee and the Board of Directors prior to disclosing to the SEC, SET, shareholders, and related agencies.
- Disclose the information via various channels such as the company's website, SET's, SEC's channel in order to inform shareholders and related persons about The Company group 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 disclosing information to investors in 2020, 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 2020	Number of Time/ Year
- Company Visit	- Foreign investors 3 times
- Shareholders	- Factory Visit for Shareholders 1 times
- Analysts	- Analysts: 5 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 2020 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 The Company group monitoring the corporate governance in compliance with laws, objectives, articles of association, and resolution of the shareholders' meeting with honesty, carefulness, and consideration on the benefit of The Company group as the first priority. Thus, the details of the Board of Directors, sub-committees, executives, and company secretary such as names, numbers of directors, and charter's details: composition, qualifications, appointment, tenure, retirement, and scope of duties are stated in Part 2, item no. 8: Management Structure. Regarding this chapter, the responsibilities of the Board of Directors in compliance with the good corporate governance are described as follows;

#### ● **The Meeting of the Board of Directors**

The Board of Directors has to arrange the meeting at least 4 times a year to consider and approve the annual financial statements and quarterly reports including other important issues, and additional specific meetings as appropriate and necessary. Thus, the annual meeting calendar of the next year is all set in advance at the end of the year for the meetings of the Board of Directors and sub-committees with the submission of documents at least 7 days prior to the meeting date in order to make the Board of Directors, sub-committees, and executives define the schedules, attend the meetings, and give an opinion or approval in any significant matter. Regarding the meeting dates of the Board of Directors, it is scheduled before submitting the financial statements in each quarter such as February 28, May 14, August 13, and November 12 in 2020. 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 2020**

Name	Number of Meeting Attendance													
	2020													
	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			3/4	75					14/14	100
2. Mrs. Wanphen Punyaniran	1/1	100	5/5	100									14/14	100
3. Mrs. Jirawan Pongpichitkul	1/1	100	5/5	100			3/4	75					14/14	100
4. Miss Chittima Tangtrongwechakit	1/1	100	5/5	100			4/4	100	2/2	100	3/3	100	14/14	100
5. Mr. Sarit Tangtrongwechakit	1/1	100	5/5	100			3/4	75					14/14	100
6. Mr. Adisak Tangtrongwechakit	1/1	100	5/5	100			4/4	100	2/2	100	3/3	100	14/14	100
7. Mr. Prachuab Chaiyasana			1/2	50										
8. Mr. Sirichai Sombutsiri	1/1	100	9/9	100	4/5	80								
9. Mrs. Seenual Tasanapant	0/1	0	9/9	100	5/5	100			2/2	100	3/3	100		
10. Assoc. Prof. Dr. Djitt Laowattana*	1/1	100	9/9	100					2/2	100				
11. Mr. Vichate Tantiwanich*	1/1	100	2/2	100	1/1	100					1/1	100		
12. Mrs. Weechadchada Yongsuwankul	1/1	100	6/6	100	4/4	100								
13. Mrs. Pornpip Sookatup	1/1	100	6/6	100	4/4	100								

Remark: 1. Mr. Prachuab Chaiyasana, Ex-Chairman of the Board of Directors (Independent Director) and Chairman of Audit Committee, deceased on April 1, 2020.

2. Mr. Vichate Tantiwanich, Director (Independent Director), Audit Committee Member and Nomination and Remuneration Committee Member resigned from the position of director on March 31, 2020 onwards. The Board of Directors' meeting resolved to nominate as the consultant to the Board of Directors.

3. Mrs. Weechadchada Yongsuwankul, Director (Independent Director) and Member of Audit Committee, replacing Mr. Vichate Tantiwanich who resigned from the position of director, effective from May 1, 2020 onwards

4. Mrs. Pornpip Sookatup, Director (Independent Director) and Member of Audit Committee, replacing Mr. Prachuab Chaiyasana who deceased, effective from May 1, 2021 onwards

Thus, the company has provided an opportunity to organize a meeting of non-executive directors in absence of the management. In 2020 there was 1 meeting.

● **The Board of Directors' Report**

In 2020, 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 2020 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 Chief Executive Officer or equivalent position**

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 and included with additional issues related to anti-corruption. 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 2020, 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 91.25 %.
- **The self-assessment of the Board of Directors on an individual basis** was considered at the “excellent level”, or equivalent to 90.01 %

**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 2020, the self-assessment of all sub-committees is concluded as follows;

Sub-Committees	Assessment Results (%)
Audit Committee	87.07
Risk Management Committee	89.20
Corporate Governance Committee	95.69
Nomination and Remuneration Committee	93.75
Executive Committee	92.83

For the 2020 assessment of the Chief Executive Officer or equivalent position, 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 73.75% (Good)
- 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 2020 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 2020 in Part 2, item no. 9: Corporate Governance, Heading: Succession plan and the policy on the nomination of directors and the Chief Executive Officer or equivalent position.

- **The number of listed companies that the directors and the Chief Executive Officer or equivalent position hold office**

The company discloses such details in the Annual Report and Form 56-1 in 2020 in Part 2, item no. 8: Management Structure, Heading 11: The number of listed companies that the directors and the Chief Executive Officer or equivalent position hold office. Thus, the details of holding office of the Board of Directors and the Chief Executive Officer or equivalent position in 2020 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 2020.

- **The orientation of new directors**

The company discloses such details in the Annual Report and Form 56-1 in 2020 in Part 2, item no. 8: Management Structure, Heading 9: The orientation of new directors. Nonetheless, in 2020, 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 the Company group. More details are disclosed in the Annual Report and Form 56-1 in 2020 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 2020***

Name	Training Course	Date	Venue	Lectured by
Mr.Sarit Tangtrongwechakij	DEF (Digital Edge Fusion)	August 20 – November 19	Auditorium Room 2, 40 <sup>th</sup> year Sripatum Building (Building 11), Floor 14, Sripatum University	Sripatum University

***2021 Director and Sub-committee Director's Training Course plan to adaptation to their roles.***

TRAINING LIST 2564									
No.	Course	No. of Course	Institute	Project Matched	Unit	No. of Participants	Total Expense	Date	Recommendation
1	Risk Management Program for Corporate Leaders (RCL)	22/2021	IOD	Risk Management Directors	30,000.00	4	120,000.00	8-9 Feb 2021	Mr. Anant / Mrs. Jirawan / Ms. Chittima / Mr. Sarit
2	Successful Formulation and Execution of Strategy (SFE)	34/2021	IOD	Directors, MD	45,000.00	3	135,000.00	22-23 Mar 2021	Mr. Anant / Mrs. Jirawan / Mr. Adisak
3	Financial Statements for Directors (FSD)	44/2021	IOD	Directors	30,000.00	5	150,000.00	8-9 Mar 2021	Mrs. Wanpen / Mrs. Jirawan / Ms. Chittima / Mr. Sarit / Mr. Adisak
4	Corporate Governance for Executives (CGE)	17/2021	IOD	Corporate Governance Directors, MD	30,000.00	4	120,000.00	29-30 Apr 2021	Mrs. Seenual / Mr. Anant / Ms. Chittima / Mr. Adisak
5	How to Develop a Risk Management Plan (HRP)	29/2021	IOD	Risk Management Directors	30,000.00	1	30,000.00	11-12 Feb 2021	Mr. Adisak
Total							573,000.00		

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

Courses Name	Director Certification Program (DCP)	Director Accreditation Program (DAAP)	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	Understandi ng 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 Tisanapunt	79/2007	55/2006	17/2007	-	-	3/2018	-	-	-	-	-	-	-	-	-
3. Mr. Sirichai Sombuisiri		25/2004	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Mr. Djitt Laowatana	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 Tangtrongwechakit	239/2017	99/2012	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Mrs. Wanphen Panyaniran	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	-	-	-	-	-	-	-	-	-
12. Mrs. Weechadchada Yongsuwankul	226/2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13. Mrs. Pornip Sookatup	151/2014	-	37/2014	-	-	-	-	-	-	-	-	-	-	-	-

**Remark:** \* Mr. Prachuab Chaiyasarn, Ex-Chairman of the Board of Directors (Independent Director) and Chairman of Audit Committee, deceased on April 1, 2020, and Mr. Vichate Tantiwanich, Director (Independent director) resigned on March 31, 2020.

- **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 2020 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 Chief Executive Officer or equivalent position**

The company discloses the details of the composition and appointment of the Chief Executive Officer or equivalent position, and the scope of duties of the Chief Executive Officer or equivalent position in the Annual Report and Form 56-1 in 2020 in Part 2, item no. 8: Management Structure, Heading 2.7: Executives.

### **Performance Evaluation of the Chief Executive Officer or equivalent position**

For the evaluation of the the Chief Executive Officer or equivalent position, 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 2020 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 the Chief Executive Officer or equivalent position**

The Company group realizes the preparation in succession of personnel in the organizations to ensure the readiness for the replacement of a vacant position in order to manage and operate The Company group 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 the Chief Executive Officer or equivalent position, 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**

The Company group has a plan to recruit personnel who will be responsible for important administrative positions. The nomination of the Chief Executive Officer or equivalent position and senior executives is in accordance with the nomination procedures from both inside and outside the organization.

Thus, the procedures in nominating the Chief Executive Officer or equivalent position and senior executives are in consideration of qualifications, expertise, skills, knowledge, moral personality, and experience of type of business related to the Company group. Such procedures will be systematically organized in all levels of positions appropriately and transparently in order to ensure that the Company group is empowered by qualified, professional, and moral manpower to drive the achievement and sustainability.

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

#### ■ **Nomination for Directors and the Chief Executive Officer or equivalent position**

Regarding nominating directors and the Chief Executive Officer or equivalent position, 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**

The Company group 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 The Company group 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 2020, 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**

The Company group 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. The Company group 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, The Company group 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**

BRR and its subsidiaries 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 the Company group.

**2. Disclosure of information and transparency which can be audited**

In order to maintain the reliability of investors, creditors and related persons, BRR and its subsidiaries 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 the Company group 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 residue from sugarcane plantation and sugar production business.**

The encouragement of the guidelines to the excellent level used by many organizations are adapted and applied to match with the Company group'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, BRR and its subsidiaries always researches and develops to further business, residues from sugarcane plantation and sugar production business and value creation.

**5. Provide sustainable returns for the owners or shareholders**

The Company group 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**

The Company group believes in developing the business together with the society. As a part of the society and the nation, BRR and its subsidiaries 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, BRR and its subsidiaries must conduct business with responsibility for all stakeholders, and give them an opportunity to give a complaint and comment, together with define a whistle-blower protection in order to demolish any corruptions in the organization and to enhance the sustainable organization.

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

## **Anti-Corruption Policy**

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

The anti-corruption policy is a part of the CG handbook of the Company group which are approved by the Board of Directors.

### **1. Objectives**

- To show the Company group 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 the different forms of corruption, causing abusing power 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 such as offering gifts/services, cash or substitute for cash, bribing public officials and private sector corruption. (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 the Company group.
- The Company group expects all customers, business partners or business alliances to cooperate with this compliance.

### **4. Role and Responsibility**

- The Board of Directors are responsible for specifying the policy, and monitoring the compliance system on anti-corruption in an effective way to ensure that the management has recognized and prioritized the anti-corruption and cultivate it as an organizational culture.
- The Audit Committee has the duty of reviewing financial and accounting reports, internal control system, internal audit system, and risk management to ensure that such operations are concise, appropriate, and efficient in compliance with the generally accepted accounting standards. Moreover, the policy and measures on anti-corruption must be supervised to ensure that the Company group 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 the Company 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 the Company group CG handbook of all stakeholders, rules, related handbooks, and further guidelines.
- This anti-corruption policy covers all relevant activities of the Company group by assigning supervisors at all levels to communicate with the employees to comply with the policy in any business activities entrusted by the responsibility, and supervise such operations efficiently.
- It is to assess the corruption risks of the entire organization on a yearly basis.
- Prohibit the company directors, executives, employees from initiating the corruption scheme for their self interest or family or friends or acquaintance.
- 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, welcoming service and additional expenses  
Granting, offering, or receiving gratuity, feast and welcoming service must be in compliance as specified in the CG handbook of the Company group.
  2. Donation, charity or sponsorship  
Granting, receiving donations or sponsorship must be done with transparency and legality, and make sure that such donation or sponsorship is not used for any excuses to accept a bribe. This issue must be in compliance 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 the Company group which should be done with transparency, honesty and legality.

## 6. Punishment

- In case of the evidence suggests that the company directors, executives, employees have taken on or accepted or facilitated the corruption scheme, the company will take disciplinary action against individual according to work discipline in which the maximum penalty is layoff or cancelling a contract. If their act involves the violation of the law, the accused will be legally prosecuted. However, the sanction will be just comparing to the employee's penalty.
- The company will not demote or sanction or have negative effect on an employee who turns down the corruption scheme even such action would have the company lose the business opportunity.

In 2020, the Company group has implemented activities to encourage good governance and anti-corruption as follows:

- 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 2020, 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.
- *The company has restrictly followed the policy and found no error or corruption complaint or any complaint regarding calling for or accepting or awarding which influence the business decision or qualify as corruption*

### **Whistle-blowing procedures (potential misconduct)**

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. To consider the matter regarding the corruption which its scope applied to this anti-corruption policy. This includes offering guidance and suggestion following the rule of anti-corruption guideline for personnel in the organization. Accordingly, the committee can gather any relevant information to consider the procedure and appropriate treatment in each matter. 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 of Board of Directors.

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 of Board of Directors calls for the first meeting of the investigation committee within 7 days from the date that the Chairman of Board of Directors 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 all investigation 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 required 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 of Board of Directors 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 (Independent Director). However in 2020, 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.**

The Company group 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. The Company group 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 the Company group’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 the Company group 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 the Company group. 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, the Company group’s orders by excusing that such acts are to increase the benefits for the Company group, or other reasons, is not an acceptable reason.
3. Employees must perform their duties with honesty by considering the moral benefit of the Company group despite the loophole or gap in the law, or articles of association, regulations, the Company group’s order, or other principles.
4. the Company group’s information must be safeguarded confidentially, not disclosed to the unrelated persons which may cause damage to the Company group, 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, the Company group’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 director office, or other relevant agencies. This must not be done by themselves without any suggestions.

#### 7. Respect for Human Rights

- 7.1 the Company group 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 the Company group will keep personal information of its employees. Disclosure of personal information of employees will not be done without their consent and will only make public according to the notified purpose, unless required to do so by the law. Thus, the company group will comply with the Personal Data Protection Policy of Buriram Sugar Public Company Limited and its subsidiaries as well as Personal Data Protection Act BE 2562 and other relevant 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 the Company group 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 the Company group, which may cause the conflict of interest when related transactions are carried out. In order to ensure the Company group 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 the Company group, and do not act in any manner against the benefit of the Company group, 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 the Company group, which is assumed a conflict of interest of the Company group in a significant manner;
  - (A) The transaction made between the Company group, directors, executives or related persons which is not in line with the criteria of the related transactions.
  - (B) Using non-public information of the Company group, except such information is disclosed in public.
  - (C) Using the property or the business opportunities of the Company group 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., the Company group 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 the Company group 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 BRR and its subsidiaries 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, the Company group 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 the Company group'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 the Company group 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 the Company group 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 sugarcane,

a working capital to operate business. This is a normal condition of a commercial bank to give a business loan. Thus, the Company group 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 the Company group makes a loan contract, specifies clearly conditions in the consideration of the benefit of the Company group as the first priority. In addition, the Company group does not have a policy on giving a loan and/or guarantee except a support money for growing sugarcane 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 the Company group.
13. It is to be avoided that shareholding, being a director, executive, or consultant in the same type of business of the Company group, or competitive with the Company group'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 the Company group, and is considered a direct duty to perform in the Company group.

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

the Company group has a policy and measure to monitor directors, executives, and employees to use internal information of the Company group for the benefit of oneself and other as follows;

1. It prohibits directors, executives, employees, and workers of the Company group to use secrets and/or internal information of the Company group 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 the Company group 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 the Company group to other persons even if they are out of term service as a director, executive, and employee of the Company group.
7. The executives, investor relations and company secretary are determined to be a representative of the Company group 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 2020, 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 the Company group and intellectual properties**

the Company group 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 the Company group owns or has the right of, including works or masterpieces occurred by performing duty, except the Company group 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 the Company group's properties to maximize the benefit to the Company group, and supervise such properties not to be damaged and lost. In addition, it is prohibited to use any property of the Company group 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 the Company group. 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 the Company group which is in line with the accounting standards.
4. Supervise and monitor the Company group'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 BRR and its subsidiaries. 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 the Company group 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 the Company group has provided, and do not modify the hardware equipment without permission.
  - 5.5 Do not disclose the business information of the Company group, or copy information into a personal recording device without permission.
  - 5.6 Do not use the Company group'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 BRR and its subsidiaries's information technology system and communication equipment with responsibility and carefulness by considering the benefit of the Company group 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 the Company group or authorized unit reserves the right to audit the property use relating to the Company group's information technology system as appropriate.
6. The Company group has a political neutrality policy. Employees must not use the Company group'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 the Company group owns.
8. Using other persons' information as a reference for the Company group, such persons have the right to check the information in order to minimize a risk on piracy.
9. Employees must report to their supervisor, if they find any act that violates, or pirates the intellectual property, as well as other acts that may cause intellectual property disputes.
10. Employees must respect, and not violate the intellectual property of others. In addition, they must not use the Company group's properties such as researches, or other innovations to copy, modify, or other actions for the benefit of oneself or others without the Company group'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 2020.*

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

The Company group 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 the Company group's objectives. Moreover, the Company group 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 the Company group's trustworthiness among the shareholders and investors.

In 2020, 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 2020.

#### **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, BRR and its subsidiaries 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 Company group as the first priority.
- 1.5 Perform a duty with diligence as well as seek a way to consistently develop and improve works in an efficient manner.
- 1.6 Maintain the dignity to be acceptable in the society.

##### **2. Guidelines to treat customers or related persons**

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

### **3. Guidelines to treat each other among employees**

- 3.1 Do not persuade, or lead a colleague's decision on a political right.
- 3.2 Be generous with colleagues, and assist their works appropriately.
- 3.3 Use the right to comment with proper and polite manner.
- 3.4 Encourage to work as a team by cooperating and helping each other for the the Company 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 Company group working regulations.
- 4.3 In case of any fraudulent, illegal, corrupt actions found, or any events that may cause damages to the organization, these must be immediately reported via provided whistle-blowing channels.
- 4.4 Intend to learn to develop oneself for the enhancement.
- 4.5 Keep oneself updated about news to use as a reason in the conversation.
- 4.6 Follow the safety rules and wear protective equipment to individually prevent an accident specified by the Company group

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

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

- 5.1 Do not request or beg any presents, gifts or other benefits such as a feast, welcoming 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 the Company group, as well as presents and gifts given to a representative of the Company group, and also have value to commemorate the significant events of the Company group 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				
2	Business Expense	MD	SDMD	DMD	AMD	M
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 and Political Contribution

- 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 the Company group is involved with, or supporting one of political parties, or one of political groups.
- 6.3 Do not use the Company group 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

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

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

### 7.1 Charitable contributions

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

The Regulations of Authority Assignment According to Limits for Charitable contributions

Category	General Operation Authority	Authorized Person				
2	Business Expense	MD	SDMD	DMD	AMD	M
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
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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 BRR and its subsidiaries for approval.

## 8. Facilitation Payment

The universal principle defines the facilitation payment as an informally small expense of government officials in order to assure that these officials will proceed as plan, in other words, to stimulate the smooth process. This process does not require the official's discretion and is their lawful act as well as their legal right as juristic person, for example, requesting a license, a certificate and using public service. (Reference: Guidelines on Appropriate Internal Control Measures for Juristic Persons Page No. 35 by Office of the National Anti-corruption Commission) In any case, the group of companies will not pay for the facilitation payment since offering such transaction would create immense risk of bribery, surge the business cost, harm the reputation and violate the company's policy against the corruption.

## 9. Revolving Door

Revolving Door is when a person from public sector works in the private sector and vice versa in such manner that it would undermine the public image of the public sector or policymaking in term of credibility and honesty. This would increase chance of corruption in case of conflict of interest and biased governmental oversight. Thus, the group has the prevention guidance not to prohibit the state employee from recruiting but to provide a clear guideline and order to prevent any risk of corruption schemes.

### 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 Chairman of Corporate Governance Committee or the Internal Audit Office is assigned to perform duties as the whistle-blowing unit of the Company group 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

a. Suggestion box

#### 2. Whistle-blowing procedures and corruption detection

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. And in any case of significant matter of uncovering the corruption scheme by the internal audit, urgently submit a report to the Chief Executive Officer or equivalent position as well as the Audit Committee and the Board of Directors.

### **3. Protective measures for whistleblowers or collaborators of investigation**

The Company group has defined the protective measures for whistleblowers or collaborators of investigation as follows;

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

*In 2020, 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**

the Company group 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 the Company group are found, they will be punished under “the work regulations”.

Guidance on Good Corporate Governance and Code of Conduct Handbook 5<sup>th</sup> Edition in 2020 (“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 BRR and its subsidiaries business operations, or which may cause an impact on the Company group.
5. If any doubt or inquiry about the compliance with the handbook, consult with a supervisor and/or Human Resources and Administration Department and/or other persons assigned by the Company group to have a responsibility of this compliance.
6. Report to a supervisor or a person in charge in case of any violations or non-compliance of the handbook occurred.
7. Cooperate in the investigation with an agency or a person assigned by the Company group.

8. Supervisors in all levels must behave themselves as a good model for their subordinates about such compliance of this handbook. In addition, they should enhance the work environment to make employees and related persons acknowledge that the compliance of CG 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 the Company group. Moreover, he or she may get a penalty according to the applicable laws.

Persons who have duties and responsibilities to monitor and encourage the compliance with the 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, the Company group 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 2020, 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 Public Co., Ltd. and its subsidiaries has hired PricewaterhouseCooper ABAS Ltd. for auditing and consulting continuously. In 2020, Buriram Sugar Public Co., Ltd. and its subsidiaries paid for the audit fee and non-audit fee to PricewaterhouseCooper ABAS Ltd. 8,071,474 Baht. In this amount was separated into the examination fee for auditing of the company 1,875,000 Baht, the examination fee for auditing of 10 subsidiaries 5,515,000 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 681,474.64 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.

Table: A Comparison of Remuneration for Auditors of BRR and its subsidiaries in 2019 and 2020

Details	2018	2019
Audit Fee		
- BRR	1,500,000	1,875,000
- Subsidiaries	*4,475,000	5,515,000
Non-Audit Fee	95,587	681,474.64
including out-of-pocket expenses and the document examination services for the projects which are outside the scope of the audit.		
<b>Total</b>	<b>6,070,587</b>	<b>8,071,474</b>

Remark: \*In 2019, As Sugarcane Ecoware Co., Ltd. ("SEW"), a subsidiary, has operated, so the financial statements of the subsidiary is added up for auditing.

\*\*In 2020, BRR Logistics Management ("BRLM"), a subsidiary, started its operations and the amendments on laws including Transfer Pricing and TFRS 9 affected to financial statement preparation. In addition, there were more accounting units required to be audited since the Company's subsidiary which is BRD transfred its entire business to BSF.

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

### Compliance and review monitoring

The Company group 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 the Company group and accept to comply with the specified regulations.

Executives in all levels have to supervise and monitor, taking it as a serious matter, their subordinates at each department to acknowledge, understand, and follow the 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 2020 and the ealy of 2021 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 2020, 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 2020, the company performed in accordance with such principles, and specified in CG Handbook. However, there are some issues which still have not implemented.

- **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 2020, 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.
- **Preparation and Disclosure of Compensation for the Chief Executive Officer or equivalent position and Compensation of Employee**  
the Board of Directors should disclose the compensation of the Chief Executive Officer or equivalent position and employees in line with the operational objectives for both short and long term including the results of Chief Executive Officer or equivalent position's performance evaluation.



# Corporate Social Responsibility

## Policy of Corporate Social Responsibility (CSR)

Buriram Sugar and its subsidiaries (“the Company group”) 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, the Company group 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, the Company group 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; the Company group 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 Company group, 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 faming 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, the Company group 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, the Company group 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, the Company group 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.



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 residue from sugarcane plantation and sugar production are as below;**

- **Molasses**

It is the product 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 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, Sugarcane Ecoware Co., Ltd. ("SEW") was established to produce 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.

- **Filter Cake**

Key Brand Fertilizer Co., Ltd. ("KBF"), which is a subsidiary has started its business of producing and selling the organic fertilizer in December 2012. It uses the Filter Cake which is the product 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 product 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 Company group prioritizes 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 operational area of the Company group as well as providing access of public health services to the communities. Last year, it organized the 6<sup>th</sup> mobilized health unit project in collaboration with Hin Lek Fai Sub-district health promoting hospital. Khu Mueang hospital joined to offer health check-ups for people in surrounding business areas. The school for the elderly project of Hin Lek Fai Municipality is arranged to promote lifelong learning, education management, and develop skills to enhance the quality of their life. The activities of the school for elderly people are related to the elderly people's interests that are important to livelihoods. It aims to enhance essential knowledge and life skills. Also, there was the project to build houses for under-privileged people in the surrounding communities. The purpose of this project is to support people in the communities to live with better health and quality of life. Additionally, 6,000 bagasse packaging products were donated to medical personnel in Buriram hospital, Buriram Province in order to reduce the risk of COVID-19 infection as well.



*The budget supporting in health promotion and medical equipment, Sor Tor Hin Lek Fai hospital*



*5<sup>th</sup> of Health Check-Up and Mobile health units for communities*



*The budget supporting in organizing health promotion activities Khu Mueang hospital*



*Donating ECO WARE packaging products to Buriram hospital to reduce the risks of COVID -19 infection*



*The school for the elderly project, Hin Lek Fai Municipality*



*Providing Alcohol gel to Government agency,  
Khu Mueang District*

CSR and Corporate Communications department collaborated with the Company's volunteer staffs to organize the project named "The 6<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 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, it has supported the activity named "BRR Cuts in Classroom Hours and Rises in Being Knowledgeable Time on the Way to Sustainability" for Ban Nongkwang School as the representative of the Northeast Region to participate in the 69<sup>th</sup> of arts and crafts event and has received the winner award for 6 consecutive years. There was also the volunteering project to develop learning center of Baan Sao Ae School and the initiation of the promotion area of sugarcane plantation of the Company group 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 because the Company group believes that "qualified social foundation based on the education".



*The improvement of Sao Ae school's learning center project collaborated with Rajamangala university of technology Isan Surin campus*



*Volunteering activity of Sao Ae school*



*National Children's Day in 2020 at Hin Lek Fai Municipality*

## Health Promoting

In the previous year, the Company group led by Buriram Sugar Public Company Limited, organized the annual health check-up for all employees with their good collaboration of taking a health check-up service. Additionally, the 6<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, CSR and Corporate Communications department created health-promoting media to be published in schools, sub-district health promoting hospitals, and local government office in surrounding areas of the Company group. As well as, to survey the living conditions of people around the nearby workplace in order to create the strong relationship with the communities.



Health Promotion Media

## Occupations Promotion

The Company group is aware of the responsibility to the community around the nearby workplace of the Company group 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)
- Occupation Promotion Project – Handmade Reed Mat (Suea Kok) by Baan Sao Ae School
- Agricultural Occupation Promotion Project – Handmade Red-striped Bottom Sarong by Khu Bon Community
- S.N.T Community Enterprise
- The improvement of quality-of-life project for people with disabilities in collaboration with Khu Mueang Provincial Public Health Office

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.



*Career development group of Weaving Sin Teen Daeng Mudmee Silk with Ant Egg-Patterned Thread Invented of Khu Bon Community*



*The improvement of quality-of-life project for people with disabilities*



*S.N.T Community Enterprise*

### **Inheritance of Cultures and Traditions**

The Company group 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 The Company group has annually been involved with the arrangement of candle procession, the project promoting traditional Arts and Culture collaborated with Hin Lek Fai Municipality, 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 the Company group'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 several public and 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.

Collaboration by all sectors arises from the awareness of the significance of natural habitat conservation and Eastern Sarus cranes which are listed as one of endangered wild animals of Thailand and used to become extinct from the nature in the country over 50 years. As of which, collaborating leads to a further step in becoming the new learning center in Buriram province. During the event of the opening of the center, 10 more Eastern Sarus cranes were released into the wild to coincide with the exhibition and based learning activities displayed by the network group advocating on Eastern sarus cranes and Wetland conservation. The purpose of that is to help facilitate participants and tourists recognizing the importance of wildlife conservation, and thus raise public awareness about environment and endangered species conservation sustainably.

Wetlands and Eastern Sarus Crane Conservation Center in Buriram province is the project for conservation of habitats for plants and animals, which is globally significant in production landscapes of Global Environment Facility. Buriram Sugar Public Co., Ltd. provided funding to support the establishment of the center with the aim to make it as the new important learning center of Buriram province and to propagate the success for the Wetlands and Eastern Sarus Crane conservation that connected with local livelihood and knowledge relative to wildlife and environment conservation. In addition, this center can also lead to further produce economic opportunities and develop as valuable ecotourism sites together with public educational sites of Eastern Sarus Crane conservation for young people, local residents and general public learning through real experiences, according to academic standard.

Nowadays, the success of this project which has been conducted by The Zoological Park Organization since 2011 has illustrated by the release of the 119 Eastern Sarus Cranes back to their habitats and their survival rate of 85 Eastern Sarus Cranes and the rate of natural breeding 20 Eastern Sarus Cranes together with government agencies, the private sectors including the local community support and conservation.



Moreover, the Company group has pushed “Buriram Eco City policy”. Buriram has collaborated with 208 local government organizations in Buriram areas to initiate the markets in their responsibility areas out of foams, together with lower plastic use. Its aim is to reduce the risks of cancer from contaminants and harmful substances of foam food containers and to rid environment of pollution, to lower disposal of non-biodegradable waste and to make better environment. Under this project, namely “Buriram Eco City”, it can help to minimize the risks to people’s health in the long run. There are the important operational issues as follows: the markets allowed by local authority and all markets in the responsibility areas of local government organizations will become the free-foam markets within the year of 2025, with the support of local government organization of Buriram in its missions.



According to the Corporate Social Responsibility works stated above; since, the Company group believes that Social Responsibility is one of the significant keys 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 2020 are gathered in the Sustainability Report which will be published on [www.buriramsugar.com](http://www.buriramsugar.com) in “Sustainability – CSR Report” topic.



# Internal Control and Risk Management

## 1. Internal Control

In the Board of Directors Meeting No. 1/2021 on 23<sup>rd</sup> of February 2021, there are Independent Directors/Audit Committee in total of 5 persons attended the Meeting. The Board of Directors has assessed the Internal Control of the Company by inquiring information from the Management in regards of the sufficiency of internal control system under 5 compositions which are; Internal Control, Risk Assessment, Operational Control, Operation and Information System, and Monitoring System. Board of Directors sees that the Company has sufficient and proper Internal Control system. The Company has organized to have sufficient personnel to monitor the operation as determined effectively, and the Company also has the Internal Control System for monitoring the operation of subsidiary companies. The Internal Control System is independent in monitoring and assessing the result of internal control. Moreover, the Company also has database system to keep important documents where the Directors, Auditors, and those who have legal authorization can examine them within the appropriate timeframe.

The Company and Subsidiaries place importance on the good and sufficient Internal Control System; since, it can help the Company to be operated effectively. The Company and Subsidiaries have prepared the policy, regulations, and operation's manual that cover every important working procedure.

In 2020, the Internal Audit Department has conducted auditing and monitoring the Internal Control System of the Company and the Subsidiaries; the monitoring of the result of Internal Control Procedures Audit by External Auditors, the audit of important policies and procedures in respect of anti-corruption of the organization, the audit and reports of operations, observation, comments and suggestions that have been discovered, by reporting directly to the Audit Committee and copy the reports to executives. As of which, the Executives placed importance on the matter accordingly, and the Company has always been revising and improving the working procedures in departments based the suggestions from the Internal Auditors. On 31<sup>st</sup> of December 2020, the Internal Audit Department has 3 staffs, and the reports of Internal Audit Department do not reveal any significant error in related to the Internal Control System.

## Observations of the Internal Auditors

In 2020, the Internal Audit Department has audited the sufficiency and effectiveness of Internal Control, and presented to the Audit Committees by considered to examine based on the levels of impact to the business operations. During such period, the Internal Auditors have audited the Internal Control Systems of the main operations as followings:

1. Process of Farmers Promotion – Buriram Sugar Factory Co., Ltd.
2. Process of Inventory Management – Sugarcane Ecoware Co., Ltd.
3. Process of Money Receipt and Payment (funds transfer, check, petty cash, advance payment) – Buriram Sugar Public Co., Ltd.
4. Important Processes and Polices for Organization's Anti-Corruption Procedures
5. Verification of Power Plant's Performance – Buriram Energy Co., Ltd. and Buriram Power Co., Ltd.

Through observations, interviews, data comparison and working procedures verification, and examine data in related to the audited matters. Then, the issues found from the audit have been concluded and discussed with the staffs of the Audit Department in order to examine the issues and resolution and mutually agreed with the conclusions. The Observations of the Internal Auditors, the Company's performance, and the summary of monitoring are as below:

Description	Audit/Monitoring
1. Overview of the Determination and Installation of Internal Control Systems in organizational level	The Company has reviewed and appointed the committee including policies about the business process, and appointed the committee for screening the project assessment and project management, review the asset policy, and prepared the regulations to control numbers of internal and external documents in order to help the staffs to acknowledge how to write the internal/external letters, control the number of documents in the same manner, and keep the copy of documents to be distinct and searchable
2. Monitoring the Development and Improvement the Internal Control System in each business process	The issues found in those 4 business processes; the Company has improved, revised, and implemented (partially). The audit is concluded as following.
2.1 Process of Farmers Promotion – Buriram Sugar Factory Co., Ltd.	<ol style="list-style-type: none"> <li>1. Requesting for promotion and survey of sugar cane plantation area, and prepare information of signed funds support application form B.E. 2563/2564</li> <li>2. Farmer promotion (financial support, fertilizer and tools), policies and criteria for farmer promotion, farmer financial support, requisition control, fertilizer and tool support, rights determination, system access and determining working procedures</li> <li>3. Providing consult in term of plantation, maintenance, and production development</li> <li>4. Sugar Cane's quantity estimation</li> <li>5. Receiving payments for farmer, and payments for fertilizers and tools (cash payment)</li> <li>6. Applying for drone license as determined by the law</li> </ol>
2.2 Process of Inventory Management – Sugarcane Ecoware Co., Ltd.	<ol style="list-style-type: none"> <li>1. Storing goods in the Company's warehouse and storing goods in the external warehouse (The external warehouse has been cancelled already)</li> <li>2. Procedures of receiving, shipping of goods, and recording data in the system</li> <li>3. Procedures of receiving, shipping of finished goods, recording data in the system, and weighing scale management</li> </ol>
2.3 Process of Money Receipt and Payment (funds transfer, check, petty cash, advance payment) – Buriram Sugar Public Co., Ltd.	Procedures of receiving payments, goods and services purchasing, management of petty cash, advance payment, and financial and accounting documents storage
2.4 Important Processes and Policies for Organization's Anti-Corruption Procedures	<p>Examine the important procedures:</p> <ol style="list-style-type: none"> <li>1. Purchasing and Contracts Arrangement</li> <li>2. Money receiving and payment</li> </ol>
2.5 Verification of Power Plant's Performance – Buriram Energy Co., Ltd and Buriram Power Co., Ltd	<ol style="list-style-type: none"> <li>1. Following the Minimum Operation of Power Plant as per contract, the power plant can operate accordingly</li> <li>2. The penalty fee of Buriram Sugar Factory Co., Ltd is due to unable to buy electricity and steam as per minimum requirement determined in the contract that was caused by the drought weather and sugar cane inventory is lower than target</li> </ol>

## 2. Risk Management

The Company's Risk Management Committee is the one who determined policies and procedures for risk management, and the Risk Management Department can implement accordingly. The Risk Management Department is responsible for determining and designing the operation system including identifying the risk factors. As of which, planning of business strategy or operation with consideration of risk factors, will assist the Risk Management Department to design the system that consists of controlling point in order to maintain the risk in the acceptable level for the Company, and in accordance with the determined Risk Management Standards COSO (The Committee of Sponsoring Organizations of the Treadway Commission)

The Risk Management Committee realizes the significance of risk management; hence, they have appointed the Risk Management Department in order to take responsibility on the Enterprise Risk Management, as the framework of Risk Management called "Three Line of Defence", and appointed the Business Continuity Management Team of the Company and Subsidiaries – in order to continue operating the main objectives or important business group which was caused by the pandemic of COVID-19 or any other event that affect the business operation. Moreover, each Business Unit has been assigned to prepare KRIs and Threshold in order to monitor the risk status closely.

In term of Risk Culture, the Company has constantly conducted training for the staffs. The communication is made through Line Official as another channel to communicate among the staffs in the organization. The content will be related to the basics of Enterprise Risk Management in order to ensure that the operational departments understand the process of risk management; especially the reaction against the risks with 4Ts Strategic and 4 Control Activities which are: 1. Preventive Control, 2. Detective Control, 3. Corrective Control and 4. Directive Control, in order that the operational departments acquire the understanding and knowledge which will lead them to achieve the objectives as set by the Company, and in the same direction.

### Line Official





## 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 Tangtrongwechakit	A director of the company and holds 4.05% of the company's shares
5.	Mrs. Jirawan Pongpichitkul	A director of the company and holds 4.05% of the company's shares.
6.	Mrs. Wanphen Punyaniran	A director of the company and holds 4.06% of the company's shares.
7.	Ms. Kornkanok Punyaniran	A daughter of Mrs. Wanphen Punyaniran
8.	Police Colonel Charnchai Pongpichitkul	A spouse of Mrs. Jirawan Pongpichitkul
9.	Mr. Pond Rattanapunsak	A spouse of Miss Chittima Tangtrongwechakit
10.	Mr. Phakphoom Pongpichitkul	A son of Mrs. Jirawan Pongpichitkul
11.	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 Tangtrongwechakit and Ms. Kornkanok Punyaniran (Mrs. Wanphen Punyaniran's daughter and the subsidiary's executive) also is a director.
12.	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.
13.	Buriram Capital Co., Ltd.	There are 6 co-directors with the company: that are; people no. 1-6 and Buriram Capital Co., Ltd. holds 50.61% of the company's shares.
14.	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")	<p>Transactions with the company</p> <ul style="list-style-type: none"> <li>- Revenue from sales</li> <li>- Selling and administrative expenses (export agent charge, financial instruments trading agent charge, transportation at sea port fee, export documents and customs procedures)</li> <li>- Trade receivables/ Other receivables</li> <li>- Trade payables</li> </ul>	<p>1,559,806,154</p> <p>20,846,986</p> <p>5,153,111</p> <p>12,040</p>	<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>Opinions of the Audit Committee</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>

Parties with Conflict of Interest	Nature of Transactions	Amount (Baht)	Reason and Necessity of Transactions
2. The 6 directors are Mr. Anant Tangtrongwechakit, Mr. Adisak Tangtrongwechakit, Mr. Sarit Tangtrongwechakit, Mrs. Jirawan Pongpichitkul, Miss Chittima Tangtrongwechakit, and Mrs. Wanphen Punyaniran	As of December 31, 2020, 6 directors are loan guarantors of 17 cars and 2 machines used for moving materials of the company group with commercial banks and leasing companies for totaling 19 machines of the total guarantee amount of 31,335,870 Baht, and 12 photocopy machines totaling 751,140 Baht.		<ul style="list-style-type: none"> <li>- The hire purchase was conducted for business administrations and operations of the company.</li> </ul> <p><b>Opinions of the Audit Committee</b></p> <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 Tangtrongwechakit, Mr. Adisak Tangtrongwechakit, Mr. Sarit Tangtrongwechakit, Mrs. Jirawan Pongpichitkul, Miss Chittima Tangtrongwechakit and Mrs. Wanphen Punyaniran	As of December 31, 2020, 6 directors are loan guarantors of the company and its subsidiaries with a commercial bank for the value of such guarantee by 270 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> <p><b>Opinions of the Audit Committee</b></p> <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 2 directors are Mr. Adisak Tangtrongwechakit, Mrs. Jirawan Pongpichitkul  and 2 close relatives of the directors: Police Colonel Chamchai Pongpichitkul, and Mr. Phakphoom Pongpichitkul	<p><b>Farmer receivables – advance credit</b></p> <p>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:</p> <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>	16,419,812 15,849,084 32,268,896 15,644,647 16,624,249 8,877,082 2,650,579	<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> <p><b>Opinions of the Audit Committee</b></p> <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>

Parties with Conflict of Interest	Nature of Transactions	Amount (Baht)	Reason and Necessity of Transactions
5. The 2 directors are Mr. Adisak Tangtrongwechakit, Mrs. Jirawan Pongpichitkul	- Other receivables	136,750	- Distribution of fertilizers and production factors as well as the parcel are the same price rate as done with other persons. <b>Opinions of the Audit Committee</b> - Distribution of fertilizers and production factors is considered as a normal business operation, including the price and condition are conducted the same as other persons.
6. The 7 directors are Mr. Anant Tangtrongwechakit, Mr. Adisak Tangtrongwechakit, Mr. Sarit Tangtrongwechakit, Mrs. Jirawan Pongpichitkul Miss Chittima Tangtrongwechakit, Mrs. Waiphen Punyaniran And Kornkanok Punyaniran	- Other payables	69,355	- As of December 31, 2020, there is a director who is the other accrual payable. <b>Opinions of the Audit Committee</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 purchased office supplies from BRS Train Terminal Logistics Co., Ltd.  - Expense	72,080	- 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. - The company has been required to purchase office supplies from BRS Train Terminal Logistics Co., Ltd. <b>Opinions of the Audit Committee</b> -

Parties with Conflict of Interest	Nature of Transactions	Amount (Baht)	Reason and Necessity of Transactions
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 title deed No. 20424 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 title deed No. 8473 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> <p>4. BRD has contracted for renting the Ban Sam Sila land of 56.16 Rai from the director with the rental fee of 112,320 Baht/Year (2,000 Baht/Rai/Year).</p> <p>5. SEW has contracted for renting the land title deed No.18960 of 5 Rai, 2 Ngan, 82 square wa from the director with the rental fee of 22,820 Baht/Year (4,000 Baht/Rai/Year).</p>	188,616	<p>- BEC has the land lease agreement for the period of 25 years in order to build the power plant using bagasse, residue from sugarcane plantation and 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>

Parties with Conflict of Interest	Nature of Transactions	Amount (Baht)	Reason and Necessity of Transactions
9. BR Molasses Trading Co., Ltd.	Transactions with the company -Revenue from sales - Cost of Goods Sold -Account Receivables -Advance Payment for goods	474,411,092 6,500 226,977 60,613,838	- 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.

## **13.1 Summary of the auditor's report for the past 3 years**

The consolidated financial statements ended December 2018, 2019, and 2020 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, 2018, 2019 and 2020 on the consolidated financial statements including 9 subsidiaries as follows;

## Statements of Financial Position

(Unit : Million Baht)

	As at December 31					
	2018 (Consolidated)		2019 (Consolidated)		2020 (Consolidated)	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Deposits with financial institutions	179.13	1.74	40.61	0.47	60.42	0.70
Trade receivables – net	360.41	3.51	388.69	4.49	131.09	1.51
Farmer receivables – net	598.55	3.52	210.62	2.43	366.58	4.23
Accrued revenue – Office of Cane and Sugar Fund	301.51	2.93	325.52	3.76	300.84	3.47
Inventories	1,337.51	13.02	911.95	10.53	568.44	6.56
Current portion of long-term borrowings to farmers	134.93	1.31	127.43	1.47	38.25	0.44
Other current assets	58.48	0.57	65.31	0.75	25.79	0.30
<b>Total current assets</b>	<b>2,970.52</b>	<b>28.91</b>	<b>2,070.13</b>	<b>23.90</b>	<b>1,491.41</b>	<b>17.22</b>
<b>Non-current assets</b>						
Farmer non-current receivables	27.11	0.26	31.12	0.36	117.24	1.35
Non-current accrued revenue– Office of Cane and Sugar Fund	148.08	1.44	158.76	1.83	170.20	1.96
Other long-term investments – net	2.05	0.02	1.41	0.02	-	-
Investment in an associate	1,208.11	11.76	1,111.34	12.83	1,004.93	11.60
Financial assets measured at fair value through Other comprehensive income					11.41	0.13
Long-term borrowings to farmers – net	272.94	2.66	193.26	2.23	145.24	1.68
Real estate investment	3.97	0.04	3.97	0.05	3.97	0.05
Property, plant and equipment – net	5,432.15	52.86	5,674.84	65.50	5,532.25	63.86
Right - of-use assets, net					13.88	0.16
Intangible assets – net	31.09	0.30	31.06	0.36	27.25	0.31
Deferred tax assets – net	162.60	1.58	126.61	1.46	128.15	1.48
Other non-current assets	17.60	0.17	26.75	0.31	17.31	0.20
<b>Total non-current assets</b>	<b>7,305.71</b>	<b>71.09</b>	<b>7,359.12</b>	<b>84.95</b>	<b>7,171.82</b>	<b>82.78</b>
<b>Total assets</b>	<b>10,276.23</b>	<b>100.00</b>	<b>9,429.25</b>	<b>108.84</b>	<b>8,663.23</b>	<b>100.00</b>

(Unit : Million Baht)

	As at December 31					
	2018 (Consolidated)		2018 (Consolidated)		2018 (Consolidated)	
	Amount	Amount	Amount	Amount	Amount	Amount
<b>Liabilities and equity</b>						
<b>Current liabilities</b>						
Bank overdrafts	0.34	0.00	-	-	-	-
Trade and other payables	817.89	7.96	839.19	8.90	674.59	7.79
Short-term borrowings from financial institutions	2,617.91	25.48	2,611.88	27.70	758.87	8.76
Short-term borrowings from others					349.36	4.03
Current portion of long-term borrowings from financial institutions due within 1 year	384.14	3.74	295.99	3.14	261.25	3.02
Current portion of long-term borrowings from an associate due within 1 year	202.51	1.97	211.24	2.24	223.57	2.58
Current portion of hire-purchase liabilities due within 1 year	10.89	0.11	7.18	0.08	-	-
Debentures	-	-	-	-	-	-
Long-term borrowings from financial institutions	-	-	-	-	-	-
Current portion of hire-purchase liabilities					7.25	0.08
Current portion of lease liabilities						
Current portion of employee benefit obligations due within 1 year	7.50	0.07	8.04	0.09	6.68	0.08
Income tax payable	6.46	0.06	4.67	0.05	16.37	0.19
Other current assets	14.42	0.14	9.83	0.10	15.53	0.18
<b>Total current liabilities</b>	<b>4,062.06</b>	<b>39.53</b>	<b>3,988.02</b>	<b>42.29</b>	<b>2,313.46</b>	<b>26.70</b>
Non-current liabilities	-	-				
Long-term borrowings from financial institutions	487.79	4.75	488.47	5.18	1,470.11	16.97
Long-term borrowings from an associate – net due within 1 year	3,177.32	30.92	3,024.41	32.07	2,918.13	33.68
Hire-purchase liabilities – net due within 1 year	10.50	0.10	8.67	0.09	-	-
Lease liabilities, net					13.51	0.16
Deferred tax liabilities – net					29.89	0.35
Debentures	-	-	-	-	-	-
Retirement benefit obligations – net	38.04	0.37	56.74	0.60	59.17	0.68
Other non-current liabilities	-	-	-	-	3.12	0.04
<b>Total non-current liabilities</b>	<b>3,713.65</b>	<b>36.14</b>	<b>3,578.30</b>	<b>37.95</b>	<b>4,493.94</b>	<b>51.87</b>
<b>Total liabilities</b>	<b>7,775.72</b>	<b>75.67</b>	<b>7,566.32</b>	<b>80.24</b>	<b>6,807.40</b>	<b>78.58</b>

(Unit : Million Baht)

	As at December 31					
	2018 (Consolidated)		2018 (Consolidated)		2018 (Consolidated)	
	Amount	Amount	Amount	Amount	Amount	Amount
<b>Equity</b>	-	-	-	-	-	-
Share capital	-	-	-	-	-	-
Authorized share capital	812.10	7.90		-		-
Issued and paid-up share capital	812.10	7.90	812.10	8.61	812.10	9.37
Premium on ordinary shares	954.67	9.29	954.67	10.12	954.67	11.02
Retained earnings	-	-	-	-	-	-
Appropriated – Legal reserve	56.60	0.55	56.60	0.60	65.97	0.76
Unappropriated	675.70	6.58	38.25	0.41	13.75	0.16
Other components of equity	0.06	0.00	-	-	8.00	0.09
Non-controlling interests	1.38	0.01	1.32	0.01	1.35	0.02
<b>Total equity</b>	<b>2,500.51</b>	<b>24.33</b>	<b>1,862.93</b>	<b>19.76</b>	<b>1,855.83</b>	<b>21.42</b>
<b>Total liabilities and equity</b>	<b>10,276.23</b>	<b>100</b>	<b>9,429.25</b>	<b>100</b>	<b>8,663.23</b>	<b>100</b>

## Statements of Comprehensive Income

(Unit : Million Baht)

	As at December 31		As at December 31		As at December 31	
	2018 (Consolidated)		2018 (Consolidated)		2018 (Consolidated)	
	Amount	Amount	Amount	Amount	Amount	Amount
<b>Revenue</b>						
Revenue from sales and services	5,555.97	95.06	4,985.16	123.18	3,892.61	96.18
Other revenue	288.84	4.94	131.48	2.57	154.55	3.82
<b>Total revenue</b>	<b>5,844.81</b>	<b>100</b>	<b>5,116.64</b>	<b>100</b>	<b>4,047.16</b>	<b>100</b>
<b>Expenses</b>		-		-		-
Cost of sales and service	4,508.87	77.14	4,469.21	110.43	3,267.59	80.74
Selling expenses	321.61	5.50	304.18	7.52	127.14	3.14
Administrative expenses	388.31	6.64	501.31	12.39	260.01	6.42
Reversal of expected credit (loss)					17.49	0.43
Other gain (loss), net					13.33	0.33
<b>Total expenses</b>	<b>5,218.79</b>	<b>89.29</b>	<b>5,274.70</b>	<b>130.33</b>	<b>3,685.55</b>	<b>91.06</b>
Finance costs	385.99	6.60	384.00	9.49	331.35	8.19
Share of profit from an associate	71.85	1.23	63.78	1.58	0.81	0.02
<b>Profit before income tax expense</b>	<b>311.88</b>	<b>5.34</b>	<b>- 478.28</b>	<b>- 11.82</b>	<b>31.08</b>	<b>0.77</b>
Income tax expense	40.21	0.69	33.49	0.83	24.92	0.62
<b>Net profit for the year</b>	<b>271.67</b>	<b>4.65</b>	<b>- 511.77</b>	<b>- 12.65</b>	<b>6.17</b>	<b>0.15</b>
Profit from measurement in value of available-for-sale investments – net of tax	- 0.07	- 0.00	- 0.06	- 0.00	-	-
Actuarial gain	-	-	- 3.93	- 0.10	1.36	0.03
<b>Total comprehensive income for the year</b>	<b>271.60</b>	<b>4.65</b>	<b>- 515.76</b>	<b>- 12.74</b>	<b>7.53</b>	<b>0.19</b>
Profit attributable to:	-	-	-	-	-	-
Owners of the parent	271.62	4.65	- 511.71	- 12.64	6.14	0.15
Non-controlling interests	0.05	0.00	- 0.06	- 0.00	0.03	0.00
<b>Earnings per share (Baht)**</b>	<b>0.33</b>		<b>-0.63</b>		<b>0.008</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)

	2018	2019	2020
	(Consolidated)	(Consolidated)	(Consolidated)
	Amount	Amount	Amount
<b>Cash flows from operating activities</b>			
Profit before income tax expense	311.88	- 478.28	31.08
Adjustments to reconcile profit for the year to net cash provided by operations:			
- Depreciation and amortization	289.56	344.22	323.90
- Expected credit loss (reversal)			17.49
- Allowance for decrease in value of long-term borrowings to subsidiaries			-
- Interest income	- 82.89	- 59.30	- 38.71
- Dividend income	- 0.20	- 0.20	- 0.31
- Allowance for doubtful accounts	- 5.95	4.62	-
- Allowance for declining in value of inventories	12.27	- 7.62	21.00
- Losses on impairment of property, plant and equipment	-	98.42	- 98.42
- (Gains) from available-for-sale investments		- 0.15	-
- (Gains) losses on disposals of property, plant and equipment	- 1.58	1.57	2.81
- Losses on write-off of property, plant and equipment	11.16	30.63	33.34
- Losses on disposals of investments	-	-	-
- Finance costs	385.99	384.00	331.35
- Share of profit from an associate	- 71.85	- 63.78	- 0.81
- Employee benefit expenses of employment termination or retirement	5.13	18.63	6.67
- Loss on termination of lease			1.80
- (Gain) from measurement in fair value of derivative			- 6.85
<b>Cash flows before changes in operating assets and liabilities</b>	853.53	272.75	624.34
<b>Changes in operating assets and liabilities</b>			
- Trade and other receivables	- 103.55	- 27.76	257.26
- Accrued revenue – Office of Cane and Sugar Fund	- 301.51	- 24.01	24.68
- Farmer receivables	274.51	382.80	- 160.27
- Inventories	- 289.01	433.17	322.52
- Other current assets	- 25.42	- 6.82	46.37
- Farmer non-current receivables	- 27.11	- 4.01	- 96.90
- Other receivable – Office of the Cane and Sugar Fund	- 148.08	- 10.68	- 11.44
- Other non-current assets	- 9.23	- 9.14	5.97
- Trade and other payables	92.21	18.84	- 93.65
- Other current liabilities	- 10.12	- 4.58	- 5.28
- Employee benefit obligations	- 1.60	- 3.92	- 3.90
- Other non-current liabilities	-	-	-
<b>Cash generated from (used in) operating activities</b>	<b>304.63</b>	<b>1,016.63</b>	<b>909.69</b>
<b>Income tax return</b>		12.18	27.81
- Income tax paid	- 49.10	- 10.40	- 11.21
- Finance costs	- 376.29	- 381.57	- 338.52
<b>Net cash generated from (used in) operating activities</b>	<b>- 120.76</b>	<b>636.84</b>	<b>587.78</b>
<b>Cash flows from investing activities</b>			
Interest received	82.89	59.30	38.71
Dividend income	91.08	65.91	33.50

	2018	2019	2020
	(Consolidated)	(Consolidated)	(Consolidated)
	Amount	Amount	Amount
Proceeds from capital decrease of an associate		94.85	74.03
Purchase of investment in an associate	-	-	-
Proceeds from available-for-sale investments		0.72	-
Proceeds from long-term borrowings to farmers	226.45	123.39	123.78
Payments on long-term borrowings to farmers	- 101.16	- 36.21	- 2.44
Purchases of Real estate investment	- 3.97	-	-
Proceeds from disposals of property, plant and equipment	2.70	0.31	14.00
Purchases of property, plant and equipment	- 907.20	- 692.67	- 182.85
Capitalized borrowing costs to property, plant and equipment	- 11.71	- 18.98	- 5.23
<b>Net cash (used in) generated from investing activities</b>	<b>- 620.92</b>	<b>- 403.39</b>	<b>93.52</b>
Cash flows from financing activities			
Increased (decreased) from short-term borrowings from financial institutions	1,481.95	- 6.38	- 1,503.66
Proceeds from long-term borrowings from financial institutions	-	299.63	1,000.00
Proceeds from long-term borrowings from an associate	-	-	-
Proceeds from issuance of debentures	-	-	-
Repayments on long-term borrowings from financial institutions	- 383.72	- 387.09	- 53.10
Repayments on long-term borrowings from an associate	- 149.55	- 144.18	- 93.96
Repayments on long-term borrowings from a subsidiary			-
Repayments on debentures	-	-	-
Repayments on lease liabilities	- 13.16	- 12.15	-
Repayments on hire-purchase liabilities			- 10.77
Proceeds from issuance of ordinary shares from non-controlling interests	0.00		
Repayments on stock payable	-	-	-
Borrowings of directors increased (decreased)	-	-	-
Dividend paid	- 243.78	- 121.78	-
<b>Net cash generated from (used in) financing activities</b>	<b>691.74</b>	<b>- 371.96</b>	<b>- 661.49</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>- 49.94</b>	<b>- 138.51</b>	<b>19.81</b>
<b>Cash and cash equivalents at opening balance</b>	<b>229.07</b>	<b>179.13</b>	<b>40.61</b>
<b>Cash and cash equivalents at closing balance</b>	<b>179.13</b>	<b>40.61</b>	<b>60.42</b>

## Financial Ratio

	2018	2019	2020
<b>Liquidity ratio</b>			
Current ratio (times)	0.73	0.52	0.64
Quick ratio (times)	0.40	0.29	0.40
Current cash flow ratio (times)	- 0.04	0.16	0.25
Accounts receivable turnover (times)	17.48	12.99	14.98
Average collection period (day)	20.60	27.71	24.04
Inventories receivable turnover (times)	3.76	3.97	4.41
Average selling period (day)	95.74	90.60	81.55
Accounts payable turnover (times)	5.88	5.39	4.32
Payment period (days)	61.24	66.74	83.39
Cash Cycle (day)	55.10	51.57	22.20
<b>Profitability ratio</b>			
Gross profit (%)	18.85	10.35	16.06
Operating profit (%)	17.77	5.01	17.63
Other profit (%)	4.94	2.57	3.82
Operating cash flow turnover (%)	- 12.23	254.80	85.64
Net Profit Margin (%)	4.65	- 10.00	0.15
Net profit (%)	0.33	- 0.63	0.01
Dividend per share	0.30	0.15	-
Return on equity (%)	10.86	23.46	0.33
<b>Efficiency ratio</b>			
Return on total asset (%)	2.81	5.19	0.07
Return on fixed asset (%)	10.96	3.02	5.89
Total asset turnover (time)	0.60	0.52	0.45
<b>Financial policy ratio</b>			
Debt to equity (time)	3.11	4.06	3.67
Interest coverage (time)	2.48	3.84	3.67
Cash basis (time)	- 0.07	1.73	- 0.40
Payout ratio (%)	45.45	0.24	-

**Buriram Sugar Public Company Limited**

**Consolidated and  
Separate Financial Statements**

**31 December 2020**



## Independent Auditor's Report

To the shareholders of Buriram Sugar Public Company Limited

### My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Buriram Sugar Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2020, 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 (TFRS).

### 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 2020;
- 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 significant accounting policies and other explanatory information.

### 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 Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions 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 judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. 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>Loss allowance - Farmer receivables and Borrowings to farmer receivables</b></p> <p>Refer to Note no. 7.5 'Accounting policies - Trade and farmer receivables', Note no. 7.7 'Accounting policies - Financial asset', Note no. 14 'Farmer receivables, net', and Note no. 20 'Long-term borrowings to farmer receivables, net' to the consolidated and separate financial statements.</p> <p>As of 31 December 2020, the Group has account farmer receivables, net, non-current farmer receivables, net, current portion of long-term borrowings to farmer receivables, net, and long-term borrowings to farmer receivables, net in the consolidated financial statements in the amount of Baht 366.58 million, Baht 117.24 million, Baht 38.25 million, and Baht 145.24 million, respectively, which represented 7.73% of total assets. The loss allowance - farmer receivables and borrowings to farmer receivables was set up totalling Baht 120.09 million. The management has a policy to assess the collectability of outstanding accounts receivables and sets up the appropriate loss allowance - farmer receivables and borrowings to farmer receivables based on period of overdue balance, collectability histories, collaterals and forward-looking information and factors that may affect the ability of repayments.</p> <p>The loss allowance is assessed based on probability-weighted present value of estimated uncollectible amounts which deriving from the exposure at default after deducting appraisal value of collateral. The management assess the value of collateral by comparing between the market value and carrying value and regularly reassess its value. In addition, they will also consider expected credit loss based on historical collectability, the possibility of recoverable amount, forward-looking information, and regularly assess for credit risk characteristics of farmer receivables and adjust the loss allowance as appropriate each year.</p> <p>I focused on this area due to the amount of loss allowance 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 loss allowance - Farmer receivables and Borrowings to farmer receivables by:</p> <ul style="list-style-type: none"> <li>• Inquiring management the appropriateness of identification and judgement of loss allowance required.</li> <li>• Testing the reliability of accounting receivables aging report used in assessing the loss 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 loss allowance based on the assessment of credit risk characteristics of 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 loss allowance - farmer receivables and borrowings to 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 10 b) 'Impairment of investments in subsidiaries' and Note 19 'Investments in subsidiaries, net' to the consolidated and separate financial statements.</p> <p>As of 31 December 2020, the Company has investments in subsidiaries, net in the separate financial statements at amounting to Baht 3,148 million, which 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. 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 significant judgement on the future operating results of business, projected cash flows and the discount rate applied to the projected cash flows.</p> <p>From this impairment testing on the investments, the management found that the recoverable amount of the investments was higher than the carrying amount, therefore, no allowance for impairment of investments in subsidiaries was required in this year.</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 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 2020 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 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>

#### Emphasis of matter

I draw attention to note 7.7 and note 7.11 to the consolidated and separate financial statements, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions (TFAC) to relieve the impact from COVID-19 for the reporting periods ending between 1 January 2020 and 31 December 2020. My opinion is not modified in respect to this matter.

## 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 TFRS, 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's 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's 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 judgement 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's 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's 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

23 February 2021

**Buriram Sugar Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2020**

	Notes	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	12	60,424,535	40,613,707	5,894,017	2,496,796
Trade and other receivables, net	13, 35	131,089,697	388,685,845	24,897,856	118,018,137
Farmer receivables, net	14, 35	366,576,471	210,621,598	-	-
Accrued income - Office of the Cane and Sugar Fund	15	300,843,909	325,519,666	-	-
Inventories, net	16	568,437,971	911,954,629	-	-
Current portion of long-term borrowings to subsidiaries, net	35 (c)	-	-	31,000,000	92,000,000
Current portion of long-term borrowings to farmer receivables, net	20, 35 (d)	38,248,254	127,426,477	-	-
Other current assets	17	25,788,633	65,306,091	5,211,686	6,497,961
<b>Total current assets</b>		<b>1,491,409,470</b>	<b>2,070,128,013</b>	<b>67,003,559</b>	<b>219,012,894</b>
<b>Non-current assets</b>					
Non-current farmer receivables, net	14, 35	117,243,396	31,116,324	-	-
Non-current accrued income - Office of the Cane and Sugar Fund	15	170,201,779	158,759,020	-	-
Investment in an associate	18	1,004,925,551	1,111,340,992	1,025,825,366	1,099,855,592
Investment in subsidiaries, net	19	-	-	3,148,475,700	1,508,476,700
Other long-term investments		-	1,409,950	-	2,175
Financial assets measured at fair value through other comprehensive income	6	11,410,828	-	2,175	-
Long-term borrowings to subsidiaries, net	35 (c)	-	-	811,152,857	2,208,723,764
Long-term borrowings to farmer receivables, net	20, 35 (d)	145,236,283	193,261,017	-	-
Investment property	21	3,971,127	3,971,127	3,971,127	3,971,127
Property, plant and equipment, net	22	5,532,248,300	5,674,842,200	35,311,235	37,244,820
Right-of-use assets, net	23	13,882,811	-	3,364,709	-
Intangible assets, net	24	27,248,732	31,063,464	15,773,300	17,805,707
Deferred tax assets, net	25	128,145,788	126,612,482	-	-
Other non-current assets		17,309,725	26,746,710	319,900	396,355
<b>Total non-current assets</b>		<b>7,171,824,320</b>	<b>7,359,123,286</b>	<b>5,044,196,369</b>	<b>4,876,476,240</b>
<b>Total assets</b>		<b>8,663,233,790</b>	<b>9,429,251,299</b>	<b>5,111,199,928</b>	<b>5,095,489,134</b>

Director \_\_\_\_\_

Date \_\_\_\_\_

The accompanying notes form part of this interim financial information.

**Buriram Sugar Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2020**

		Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
Notes					
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade and other payables	26, 35	674,594,685	839,193,344	24,692,611	167,271,841
Short-term borrowings from financial institutions	27	758,866,000	2,265,768,300		
Short-term borrowings from others	27	349,356,430	346,111,430	580,000	-
Current portion of long-term borrowings from financial institutions and other	27	261,253,453	295,988,187	-	-
Current portion of long-term borrowings from an associate	27	223,565,086	211,241,564	-	-
Current portion of long-term borrowings from a subsidiary	27	-	-	71,042,619	50,000,000
Current portion of hire-purchase liabilities	27	-	7,178,183	-	2,899,368
Current portion of lease liabilities	27	7,253,197	-	3,975,579	-
Current portion of employee benefit obligations	29	6,680,584	8,042,319	3,036,802	3,662,990
Income tax payable		16,365,043	4,665,850	-	-
Other current liabilities	28	15,526,686	9,831,435	1,421,350	4,960,462
<b>Total current liabilities</b>		<b>2,313,461,164</b>	<b>3,988,020,612</b>	<b>104,748,961</b>	<b>228,794,661</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions and other, net	27	1,470,109,674	488,474,763	-	-
Long-term borrowings from an associate, net	27	2,918,132,130	3,024,413,138	-	-
Long-term borrowings from a subsidiary, net	27	-	-	2,646,119,162	2,696,119,162
Hire-purchase liabilities, net	27	-	8,666,293	-	4,709,512
Lease liabilities, net	27	13,508,443	-	5,379,656	-
Deferred tax liabilities, net	25	29,891,137	-	467,216	-
Employee benefit obligations, net	29	59,174,444	56,742,223	19,505,050	20,145,078
Other non-current liabilities		3,123,397	-	-	-
<b>Total non-current liabilities</b>		<b>4,493,939,225</b>	<b>3,578,296,417</b>	<b>2,671,471,084</b>	<b>2,720,973,752</b>
<b>Total liabilities</b>		<b>6,807,400,389</b>	<b>7,566,317,029</b>	<b>2,776,220,045</b>	<b>2,949,768,413</b>

The accompanying notes form part of this interim financial information.

**Buriram Sugar Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2020**

	Note	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
<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		812,099,845	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	812,099,845
Premium on ordinary shares		954,665,813	954,665,813	954,665,813	954,665,813
Retained earnings					
Appropriated					
- Legal reserve	30	65,970,655	56,601,140	65,970,655	56,601,140
Unappropriated		13,747,388	38,246,817	502,243,570	322,353,923
Other components of equity		8,000,702	-	-	-
<b>Equity attributable to owners of the parent</b>		1,854,484,403	1,861,613,615	2,334,979,883	2,145,720,721
Non-controlling interests		1,348,998	1,320,655	-	-
<b>Total equity</b>		1,855,833,401	1,862,934,270	2,334,979,883	2,145,720,721
<b>Total liabilities and equity</b>		8,663,233,790	9,429,251,299	5,111,199,928	5,095,489,134

The accompanying notes form part of this interim financial information.

**Buriram Sugar Public Company Limited**  
**Statements of Comprehensive Income**  
**For the year ended 31 December 2020**

		Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
Revenue from sales and services		3,892,612,079	4,985,157,676	-	-
Cost of sales and services		(3,267,588,794)	(4,469,211,704)	-	-
<b>Gross profit</b>		625,023,285	515,945,972	-	-
Other income	31	154,552,918	123,272,234	351,299,591	384,876,426
Selling expenses		(127,137,538)	(304,175,681)	-	-
Administrative expenses		(260,006,765)	(499,828,509)	(107,467,948)	(278,542,964)
Reversal of expected credit (loss)		(17,490,948)	-	123,678,143	-
Other gain (loss), net		(13,325,117)	6,723,253	190,652	-
Finance costs		(331,346,245)	(384,000,393)	(180,310,141)	(180,263,658)
Share of profit from an associate	18	812,713	63,783,415	-	-
<b>Profit (loss) before income tax</b>		31,082,303	(478,279,709)	187,390,297	(73,930,196)
Income tax	33	(24,916,194)	(33,491,120)	-	(12,341,771)
<b>Profit (loss) for the year</b>		6,166,109	(511,770,829)	187,390,297	(86,271,967)
<b>Other comprehensive income (expense):</b>					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of post-employment benefit obligations	29	1,699,482	(4,539,661)	2,336,081	(1,475,843)
Income tax relating to remeasurements of post-employment benefit obligations		(339,896)	612,764	(467,216)	-
		1,359,586	(3,926,897)	1,868,865	(1,475,843)
Items that will be reclassified subsequently to profit or loss					
Change in value of available-for-sales investment		-	-	-	-
Transferred disposal of available-for-sale investments		-	(60,453)	-	(60,453)
Income tax relating to change in value of available-for-sale investments		-	-	-	-
		-	(60,453)	-	(60,453)
<b>Other comprehensive income (expense) for the year, net of tax</b>		1,359,586	(3,987,350)	1,868,865	(1,536,296)
<b>Total comprehensive income (expense) for the year</b>		7,525,695	(515,758,179)	189,259,162	(87,808,263)
<b>Profit (loss) attributable to:</b>					
Owners of the parent		6,137,766	(511,711,461)	187,390,297	(86,271,967)
Non-controlling interests		28,343	(59,368)	-	-
		6,166,109	(511,770,829)	187,390,297	(86,271,967)
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of the parent		7,497,352	(515,698,811)	189,259,162	(87,808,263)
Non-controlling interests		28,343	(59,368)	-	-
		7,525,695	(515,758,179)	189,259,162	(87,808,263)
<b>Earnings (loss) per share</b>					
Basic earnings (loss) per share	34	0.008	(0.630)	0.231	(0.106)

The accompanying notes form part of this interim financial information.

**Buriram Sugar Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2020**

238

Consolidated financial statements											
Note	Issued and paid-up share capital	Retained earnings			Other components of equity					Non-controlling interests	Total
		Premium on ordinary shares	Appropriated - Legal reserve	Unappropriated	Change in fair value of available-for-sale investments		Measurement of equity investment at fair value through other comprehensive income		Total owners of the parent		
					Baht	Baht	Baht	Baht			
<b>Opening balance as at 1 January 2019</b>											
<b>Changes in equity for the year 2019</b>											
		</									

The accompanying notes form part of this interim financial information.

**Buriram Sugar Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2020**

	Separate financial statements					
	Retained earnings			Other components of equity		
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated - Legal reserve	Unappropriated	Fair value reserve of available-for-sale investments	Total
	Baht	Baht	Baht	Baht	Baht	Baht
<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	-	-	-	(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>	812,099,845	954,665,813	56,601,140	322,353,923	-	2,145,720,721
<b>Opening balance as at 1 January 2020</b>	812,099,845	954,665,813	56,601,140	322,353,923	-	2,145,720,721
<b>Changes in equity for the year 2020</b>						
Legal reserve	-	-	9,369,515	(9,369,515)	-	-
Total comprehensive income for the year	-	-	-	189,259,162	-	189,259,162
<b>Closing balance as at 31 December 2020</b>	812,099,845	954,665,813	65,970,655	502,243,570	-	2,334,979,883

The accompanying notes form part of this interim financial information.

**Buriram Sugar Public Company Limited**  
**Statements of Cash Flows**  
**For the year ended 31 December 2020**

	Notes	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Cash flows from operating activities</b>					
Profit (loss) before income tax		31,082,303	(478,279,709)	187,390,297	(73,930,196)
Adjustments to reconcile profit (loss) before income tax to net cash provided by operations:					
- Depreciation and amortisation	32	323,901,423	344,217,169	7,919,556	6,368,649
- Expected credit loss (reversal)		17,490,948	-	(123,678,143)	-
- Allowance for decrease in value of long-term borrowings to subsidiaries	35 (c)	-	-	-	122,545,905
- Interest income	31	(38,711,773)	(59,301,016)	(109,252,102)	(147,086,517)
- Dividend income	31	(307,020)	(204,680)	(134,897,404)	(126,720,354)
- Allowance for doubtful accounts (reversal)		-	4,619,625	-	(2,276,250)
- Allowance for declining in value of inventories (reversal)	16	20,998,105	(7,621,386)	-	-
- (Reversal of) allowance for impairment of property, plant and equipment	22	(98,419,224)	98,419,224	-	-
- (Reversal of) allowance for impairment of investment in subsidiaries	19	-	-	(14,999,000)	14,999,000
- (Gain) from disposal of available for sale		-	(149,829)	-	(149,829)
- Loss (gain) on disposals of property, plant and equipment		2,812,592	1,570,410	(190,652)	-
- Loss on write-off of property, plant and equipment and intangible assets	22, 24	33,340,010	30,628,696	10,824	7,181
- Finance costs		331,346,245	384,000,393	180,310,141	180,263,658
- Share of (profit) from an associate	18	(812,713)	(63,783,415)	-	-
- Employee benefit expenses	29	6,669,423	18,629,754	2,184,792	6,814,031
- Loss on termination of lease		1,797,122	-	-	-
- (Gain) from measurement in fair value of derivative		(6,850,262)	-	-	-
Cash flows before changes in operating assets and liabilities		624,337,179	272,745,236	(5,201,691)	(19,164,722)
Changes in operating assets and liabilities					
- Trade and other receivables		257,263,522	(27,756,074)	48,947,995	(44,842,149)
- Accrued income - Office of the Cane and Sugar Fund	15	24,675,757	(24,012,235)	-	-
- Farmer receivables		(160,267,140)	382,795,597	1,132,238	2,276,250
- Inventories		322,518,553	433,172,589	-	-
- Other current assets		46,367,720	(6,822,502)	(3,023,184)	(2,025,614)
- Non-current farmer receivables		(96,895,860)	(4,010,884)	-	-
- Non-current accrued income - Office of the Cane and Sugar Fund		(11,442,759)	(10,678,224)	-	-
- Other non-current assets		5,966,617	(9,143,718)	76,455	2,517,347
- Trade and other payables		(93,648,064)	18,842,448	(3,075,843)	(183,853)
- Other current liabilities		(5,284,332)	(4,584,344)	(3,539,112)	1,678,384
- Employee benefit paid	29	(3,899,455)	(3,920,368)	(1,114,927)	(418,750)
Cash generated from (used in) operating activities		909,691,738	1,016,627,521	34,201,931	(60,163,107)
- Income tax received		27,812,471	12,182,795	4,309,460	-
- Income tax paid		(11,210,957)	(10,400,100)	-	-
- Interest paid		(338,518,251)	(381,573,335)	(319,821,356)	(193,332,048)
Net cash generated from (used in) operating activities		587,775,001	636,836,881	(281,309,965)	(253,495,155)

The accompanying notes form part of this interim financial information.

**Buriram Sugar Public Company Limited**  
**Statements of Cash Flows**  
**For the year ended 31 December 2020**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Interest received		38,711,773	59,301,016	153,424,388	170,099,721
Dividends received		33,504,948	65,905,350	134,897,404	245,138,724
Proceeds from capital reduction of an associate	18	74,030,226	94,851,227	74,030,226	94,851,227
Payments for acquisition of investment in subsidiaries	19	-	-	(1,625,000,000)	(72,999,400)
Proceeds from disposal of available-for-sale investments		-	716,549	-	716,549
Proceeds from long-term borrowings to subsidiaries	35 (c)	-	-	2,300,628,775	1,222,124,798
Payments on long-term borrowings to subsidiaries	35 (c)	-	-	(719,511,963)	(1,279,607,700)
Proceeds from long-term borrowings to farmer receivables	20	123,783,278	123,393,836	-	-
Payments on long-term borrowings to farmer receivables	20	(2,438,692)	(36,214,649)	-	-
Proceeds from disposals of property, plant and equipment		14,000,717	309,539	190,654	-
Purchases of property, plant and equipment and intangible assets		(182,845,354)	(692,670,190)	(1,308,634)	(14,862,980)
Capitalised borrowing costs to property, plant and equipment		(5,225,403)	(18,983,633)	-	-
Net cash generated from (used in) investing activities		93,521,493	(403,390,955)	317,350,850	365,460,939
<b>Cash flows from financing activities</b>					
(Decreased) Increased from short-term borrowings from financial institutions, a related party and others	27	(1,503,657,300)	(6,375,483)	580,000	(748,000)
Proceeds from long-term borrowings from financial institutions and other	27	1,000,000,000	299,625,000	-	-
Repayments on long-term borrowings from financial institutions and other	27	(53,099,823)	(387,090,592)	-	-
Repayments on long-term borrowings from an associate	27	(93,957,486)	(144,181,856)	-	-
Repayments on long-term borrowings from a subsidiary	27	-	-	(28,957,381)	-
Repayments on hire-purchase liabilities		-	(12,150,906)	-	(2,768,497)
Repayments on lease liabilities		(10,771,057)	-	(4,266,283)	-
Dividends paid		-	(121,784,643)	-	(121,782,818)
Net cash (used in) financing activities		(661,485,666)	(371,958,480)	(32,643,664)	(125,299,315)
<b>Net increase (decrease) in cash and cash equivalents</b>		19,810,828	(138,512,554)	3,397,221	(13,333,531)
Opening balance		40,613,707	179,126,261	2,496,796	15,830,327
Closing balance		60,424,535	40,613,707	5,894,017	2,496,796
<b>Non-cash transactions</b>					
Purchases of property, plant and equipment under hire-purchase liabilities		1,984,414	6,604,206	1,532,000	2,221,955
Account payables of property, plant and equipment		46,285,739	110,064,328	133,964	126,136

The accompanying notes form part of this interim financial information.

## **1 General information**

Buriram Sugar Public Company Limited (the Company) is a public limited company which is listed on the Stock Exchange of Thailand, which is 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 such as manufacturing and distribution of packaging which are made from bagasse and provide logistics services

These consolidated and separate financial statements have been approved by the Board of Directors on 23 February 2021.

## **2 Significant events during the current year**

### **Coronavirus Disease 2019 outbreak**

The outbreak of Coronavirus Disease 2019 ("COVID-19") in early 2020 has adverse effects on operating results for the year period ended 31 December 2020 particularly on manufacturing and distribution of sugar and molasses business.

Due to the COVID-19 pandemic which continues to expand and the series of precautionary measures that continues to be implemented across regions, the economy slowed down both domestically and internationally which also results in uncertainties and impact on business operation. In addition, the drop-in sugar price is generally attributed to decline in the crude oil price resulting from the economic recession. However, during the year ended 31 December 2020, world sugar price began to recover from the third quarter of the year 2020 after the easing of the series of precautionary measures in relation to the COVID-19 pandemic in several countries.

The Group's management is paying close attention to the outbreak of the COVID-19 situation and its impact on the operation, performing relevant assessments and taking proactive measures for remediation.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 as follows:

- 1) The Group chose to measure the fair value of its unquoted equity investments at the end of the reporting period at the same amount as the investments' fair value on 1 January 2020 (the date of initial application of TFRS 9).
- 2) The Group chose to exclude information related to COVID-19 as an indication of the impairment of assets.
- 3) The Group chose to exclude forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables and accrued income. The Group applied historical credit loss adjusted with the management's judgement in estimating the expected credit loss

As at 31 December 2020, the Group's management is currently assessing the impact to financial statements in 2021 after the temporary measures end.

## **3 Financial status**

As at 31 December 2020, the Group and the Company have current liabilities greater than current assets of Baht 822.05 million and Baht 37.75 million, respectively (2019: Baht 1,917.89 million and Baht 9.78 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. Management is satisfied that the Group will meet their working capital and facilities that the Group's operation requires and 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.

#### **4 Basis of 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 TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note no. 10.

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

#### **5 New and amended financial reporting standards**

##### **5.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Group**

###### **a) Financial instrument**

The new financial reporting standards related to financial instruments are as follows:

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

The new financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Group to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Group whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Group to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets' measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

On 1 January 2020, the Group has adopted the financial reporting standards related to financial instruments in its financial statements. The impact from the first-time adoption has been disclosed in Note no. 6.

###### **b) TFRS 16, leases**

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the statement of financial position 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.

On 1 January 2020, the Group has adopted the new lease standard in its financial statements. The impact from the first-time adoption has been disclosed in Note no. 6.

## 5.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 and have significant impacts to the Group

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

a) **Revised Conceptual Framework for Financial Reporting** added the following key principals and guidance:

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, which can be a single entity or a compose of several entities and do not necessarily be a legal entity, and
- Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

b) **Amendment to TFRS 3, Business combinations** amended the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers and to exclude returns in the form of lower costs and other economic benefits.

c) **Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures** amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.

d) **Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors** amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

e) **Amendment to TFRS 16, Leases** amended to provide a practical expedient where lessees are exempted from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications. It applies to rent concessions that reduce lease payments due from 1 June 2020 to 30 June 2021. The amendment is effective for the annual accounting period beginning on or after 1 June 2020 where early application is permitted.

The Group and the Company has chosen not to early apply the exemption for the current reporting period

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

## 6 Impacts from initial application of the new and revised financial reporting standards

The Group and the Company have adopted TAS 32 Financial Instruments: Presentation, TFRS 7 Financial Instruments: Disclosure, TFRS 9 Financial Instruments and TFRS 16 Leases on the Group's consolidated financial statements and the Company's separate financial statements from 1 January 2020 by applying the modified retrospective approach. The comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies were therefore recognised in the statement of financial position as of 1 January 2020.

The new accounting policies applied were disclosed in Note no. 7.7, 7.12 and 7.13.

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

The impact of first-time adoption of new financial reporting standards on the consolidated and separate statements of financial position are as follows:

		Consolidated financial statements			
		31 December 2019 Baht	TFRS 9 and TAS 32 Baht	TFRS 16 Baht	1 January 2020 Baht
Notes					
Statements of Financial position					
Current assets					
Trade and other receivables, net	a, c	388,685,845	(768,222)	(1,583,682)	386,333,941
Farmer receivables, net	a	210,621,598	(11,129,456)	-	199,492,142
Current portion of long-term borrowings to farmer receivables, net	a	127,426,477	(2,949,577)	-	124,476,900
Non-current assets					
Non-current farmer receivables, net	a	31,116,324	(945,822)	-	30,170,502
Other long-term investments	b	1,409,950	(1,409,950)	-	-
Financial assets measured at fair value through other comprehensive income	b	-	11,410,828	-	11,410,828
Long-term borrowings to farmer receivables, net	a	193,261,017	(12,491,006)	-	180,770,011
Right-of-use assets, net	c	-	-	24,439,622	24,439,622
Deferred tax assets, net	a	126,612,482	5,656,817	-	132,269,299
Other non-current assets	c	26,746,710	-	(3,577,084)	23,169,626
Total assets affected		1,105,880,403	(12,626,388)	19,278,856	1,112,532,871
Current liability					
Current portion of hire-purchase liabilities	c	7,178,183	-	(7,178,183)	-
Current portion of lease liabilities	c	-	-	10,936,300	10,936,300
Non-current liability					
Hire-purchase liabilities, net	c	8,666,293	-	(8,666,293)	-
Lease liabilities, net	c	-	-	24,187,032	24,187,032
Deferred tax liabilities, net	b	-	2,000,176	-	2000,176
Total liabilities affected		15,844,476	2,000,176	19,278,856	37,123,508
Equity					
Unappropriated-retained earnings	a	38,246,817	(22,627,266)	-	15,619,551
Other components of equity	b	-	8,000,702	-	8,000,702
Total equity affected		38,246,817	(14,626,564)	-	23,620,253

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

	Notes	Separate financial statements			
		31 December 2019 Baht	TFRS 9 and TAS 32 Baht	TFRS 16 Baht	1 January 2020 Baht
Statement of Financial position					
Non-current assets					
Other long-term investments	b	2,175	(2,175)	-	-
Financial assets measured at fair value through other comprehensive income	b	-	2,175	-	2,175
Right-of-use assets	c	-	-	4,321,613	4,321,613
Total assets affected		2,175	-	4,321,613	4,323,788
Current liability					
Current portion of hire-purchase liabilities	c	2,899,368	-	(2,899,368)	-
Current portion of lease liabilities	c	-	-	3,737,690	3,737,690
Non-current liability					
Hire-purchase liabilities, net	c	4,709,512	-	(4,709,512)	-
Lease liabilities, net	c	-	-	8,192,803	8,192,803
Total liabilities affected		7,608,880	-	4,321,613	11,930,493

**Notes**

- a) Recognition of loss allowance under TFRS 9 and related deferred tax assets  
b) Adjustment for changes in classification and measurement on equity investment to financial assets at FVOCI  
c) Recognition of right-of-use assets and lease liabilities under TFRS 16

**6.1 Financial instruments**

The impact on the Group's unappropriated retained earnings as of 1 January 2020 are as follows:

	Note	Consolidated financial statements Baht	Separate financial statements Baht
<b>Unappropriated retained earnings</b>			
Balance as of 31 December 2019 (as previously reported)		38,246,817	322,353,923
Recognised in provision for trade receivables and contract assets	b	(28,284,083)	-
Recognised in deferred tax assets related to the above adjustments		5,656,817	-
Total adjustments to opening unappropriated retained earnings from adoption of TFRS 9		(22,627,266)	-
<b>Balance as of 1 January 2020 after reflecting TFRS 9 adoption (before impact from TFRS 16)</b>		<b>15,619,551</b>	<b>322,353,923</b>

The impact on the Group's equity as of 1 January 2020 are as follows:

	Note	Consolidated financial statements - Equity	
		FVOCI reserve Baht	Effect on retained earnings Baht
<b>Equity</b>			
<b>Balance as at 31 December 2019 (Previously reported)</b>		-	38,246,817
Reclassify general investments to FVOCI	a	8,000,702	-
Total adjustments to opening retained earnings from adoption of TFRS 9 (from the table above)		-	(22,627,266)
<b>Total impact</b>		8,000,702	(22,627,266)
<b>Opening balance as of 1 January 2020 - TFRS 9 adoption</b>		8,000,702	15,619,551

On 1 January 2020 (the date of initial application), the management has assessed which business models apply to the financial assets and financial liabilities, and has classified its financial instruments into the appropriate TFRS 9 categories below.

	Notes	Consolidated financial statements		
		General investments Baht	FVOCI Baht	Amortised cost Baht
<b>Financial assets</b>				
<b>Balance as at 31 December 2019 (Previously reported)</b>		1,409,950	-	951,111,261
Reclassify general investments to FVOCI	a	(1,409,950)	1,409,950	-
Impairment adjustments of financial assets	c	-	-	(28,284,083)
Fair value adjustments on financial assets	a	-	10,000,878	-
<b>Opening balance 1 January 2020 - TFRS 9 adoption</b>		-	11,410,828	922,827,178

	Note	Seperated financial statements	
		General investments Baht	FVOCI Baht
<b>Financial assets</b>			
<b>Balance as at 31 December 2019 (Previously reported)</b>		2,175	-
Reclassify general investments to FVOCI	a	(2,175)	2,175
<b>Opening balance 1 January 2020 - TFRS 9 adoption</b>		-	2,175

**(a) General investments classified as FVOCI**

As of 1 January 2020 the Group and the Company reclassified general investments in equity instruments that previously measured at cost of Baht 1,409,950 and Baht 2,175, respectively to FVOCI of Baht 11,410,828 and 2,175, respectively. The respective fair value gains of Baht 8,000,702, net of tax, was recognised in FVOCI reserve on 1 January 2020 in the consolidated financial statements as they are held as long-term strategic investments.

**(b) Reclassifications of financial instruments on adoption of TFRS 9**

On 1 January 2020, the date of initial adoption of TFRS 9, the classification measurement and carrying amounts of financial assets and financial liabilities were as follows.

Consolidated financial statements					
Measurement categories			Carrying amounts		
Previously reported (TAS 105 and other TAS)	New (TFRS 9)	As previously reported Baht	As adoption Baht	Differences Baht	
Current financial assets					
Cash and cash equivalents	Amortised cost	Amortised cost	40,613,707	40,613,707	-
Trade and other receivables	Amortised cost	Amortised cost	388,685,845	386,333,941	(2,351,904)
Farmer receivables	Amortised cost	Amortised cost	210,621,598	199,492,142	(11,129,456)
Accrued income - Office of the Cane and Sugar Fund	Amortised cost	Amortised cost	325,519,666	325,519,666	-
Current portion of long-term borrowings to farmer receivables	Amortised cost	Amortised cost	127,426,477	124,476,900	(2,949,577)
Non-current financial assets					
Non-current farmer receivables	Amortised cost	Amortised cost	31,116,324	30,170,502	(945,822)
Non-current accrued income - Office of the Cane	Amortised cost	Amortised cost	158,759,020	158,759,020	-
Other long-term investments (financial assets measured at fair value through other comprehensive income)	Cost less impairment	FVOCI	1,409,950	11,410,828	10,000,878
Long-term borrowings to farmer receivables	Amortised cost	Amortised cost	193,261,017	180,770,011	(12,491,006)
Current financial liabilities					
Trade and other payables	Amortised cost	Amortised cost	839,193,344	839,193,344	-
Short-term borrowings from financial institutions	Amortised cost	Amortised cost	2,265,768,300	2,265,768,300	-
Short-term borrowings from others	Amortised cost	Amortised cost	346,111,430	346,111,430	-
Current portion of long-term borrowings from financial institutions and other	Amortised cost	Amortised cost	295,988,187	295,988,187	-
Current portion of long-term borrowings from an associate	Amortised cost	Amortised cost	211,241,564	211,241,564	-
Non-current financial liabilities					
Long-term borrowings from financial institutions and other	Amortised cost	Amortised cost	488,474,763	488,474,763	-
Long-term borrowings from an associate	Amortised cost	Amortised cost	3,024,413,138	3,024,413,138	-

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

	Separated financial statements				
	Measurement categories		Carrying amounts		
	Previously reported (TAS 105 and other TAS)	New (TFRS 9)	As previously reported Baht	As adoption Baht	Differences Baht
<b>Current financial assets</b>					
Cash and cash equivalents	Amortised cost	Amortised cost	2,496,796	2,496,796	-
Trade and other receivables	Amortised cost	Amortised cost	118,018,137	118,018,137	-
Current portion of long-term borrowings to subsidiaries	Amortised cost	Amortised cost	92,000,000	92,000,000	-
<b>Non-current financial assets</b>					
Other long-term investment (Financial assets measured at fair value through other comprehensive income)	Cost less impairment	FVOCI	2,175	2,175	-
Long-term borrowings to subsidiaries	Amortised cost	Amortised cost	2,208,723,764	2,208,723,764	-
<b>Current financial liabilities</b>					
Trade and other payables	Amortised cost	Amortised cost	167,271,841	167,271,841	-
Current portion of long-term borrowings from a subsidiary	Amortised cost	Amortised cost	50,000,000	50,000,000	-
<b>Non-current financial liability</b>					
Long-term borrowings from a subsidiary	Amortised cost	Amortised cost	2,696,119,162	2,696,119,162	-

**Note**

FVOCI = Fair value through other comprehensive income

**c) Impairment of financial assets**

The Group have following financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Trade and other receivables
- Accrued income
- Farmer receivables
- Long-term borrowings to related parties
- Long-term borrowings to farmer receivables

The Group was required to revise its impairment methodology under TFRS 9. The impact of the change in impairment methodology on the Group's retained earnings as at 1 January 2020 were Baht 22,627,266.

The Management determined that the loss on impairment of cash and cash equivalents are immaterial.

**6.2 Leases**

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases for leases of land, buildings, machineries and vehicles with lease terms more than 12 months. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The weighted average lessee's incremental borrowing rate applied to the lease liabilities was 4.53%.

The associated right-of-use assets were measured at the amount equal to the lease liability in which the incremental borrowing rate for the remaining lease terms as of 1 January 2020 adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of TFRS 16 are only applied after that date.

	<b>Consolidated financial statements Baht</b>	<b>Separate financial statements Baht</b>
Operating lease commitments disclosed as at 31 December 2019	19,331,708	1,773,600
(Less): Discounted using the lessee's incremental borrowing rate of at the date of initial application	(2,302,863)	(401,587)
(Less): low-value leases recognised as expenses on a straight-line basis	(262,800)	(262,800)
(Less): contracts reassessed as service agreements / service portion included in leases	(14,888,109)	(330,000)
Add: Adjustments as a result of a different treatment of extension and termination options	17,400,920	3,542,400
<b>Lease liability recognised as at 1 January 2020</b>	<b>19,278,856</b>	<b>4,321,613</b>
Current lease liabilities	3,758,117	838,322
Non-current lease liabilities	15,520,739	3,483,291
	<b>19,278,856</b>	<b>4,321,613</b>

*Practical expedients applied*

In applying TFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous before adoption of TFRS 16
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
- elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 Determining whether an Arrangement contains a Lease.

## **7 Accounting policies**

### **7.1 Principles of consolidation accounting**

#### **a) Subsidiaries**

Subsidiaries are all 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 consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

#### **b) Associates**

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, in consolidated financial statements.

In the separate financial statements, investments in associates are accounted for using cost method.

#### **c) Equity method**

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently recognises shares of its associates' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative 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, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

#### **d) Changes in ownership interests**

Where the Group has control in subsidiaries, the Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates is recognise in profit or loss.

When the Group losses control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate or a financial asset accordingly.

#### **e) Intercompany transactions on consolidation**

Intra-group transactions, balances and unrealised gains on transactions are eliminated. 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 in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

## **7.2 Business combination**

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises.

- fair value of the assets transferred
- liabilities incurred to the former owners of the acquiree
- equity interests issued by the Group

Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group initially 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 recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

### *Acquisition-related cost*

Acquisition-related cost are recognised as expenses in consolidated financial statements

### *Changes in fair value of contingent consideration paid/received*

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

### *Business combination under common control*

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree at their carrying values presented in the highest level of the consolidation. The Group retrospectively adjusted the business combination under common control transactions as if the combination had occurred on the later of the beginning of the preceding comparative period and the date the acquiree has become under common control.

Consideration of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs.

The difference between consideration under business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed of by transferred to retained earnings.

## **7.3 Foreign currency translation**

### **a) Functional and presentation currency**

The financial statements are presented in Thai Baht, which is the Group's and the Company's functional and 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.

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.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

#### **7.4 Cash and cash equivalents**

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition.

In the statements of financial position, bank overdrafts are shown in current liabilities.

#### **7.5 Trade and farmer receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 7 - 60 days.

Farmer receivables are amounts due from financial support in the ordinary course of business. They are generally due for settlement within 2 seasons, and therefore are all classified as current. For the balance at the end of period which have due for settlement over 2 seasons, and therefore all are classified as non-current.

Trade and farmer receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade and farmer receivables are disclosed in Note no. 7.7(f).

#### **7.6 Inventories**

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories is determined by the weighted average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

#### **7.7 Financial asset**

For the year ended 31 December 2020

##### **a) Classification**

From 1 January 2020, the Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

##### **b) Recognition and derecognition**

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

##### **c) Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

**d) Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. The measurement which the Group classifies its debt instruments is as follow:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

**e) Equity instruments**

The Group measures all equity investments at fair value. The Group has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as dividend income when the right to receive payments is established.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by measuring the fair value of its unquoted equity investments at the end of the reporting period at the same amount as the investments' fair value on 1 January 2020 (the date of initial application of TFRS 9). As a result, the equity investments measured at FVOCI as at 31 December 2020 of Baht 11.41 million was presented at their fair value as of 1 January 2020. No gain or loss from changes in fair value was recognised.

**f) Impairment**

From 1 January 2020, the Group applies the TFRS 9 simplified approach in measuring the impairment of trade receivables and accrued income, which applies lifetime expected credit loss, from initial recognition, for trade receivables and accrued income.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables and accrued income. The Group applied historical credit loss adjusted with the management's judgement in estimating the expected credit loss as disclosed in Note no.13.

For other financial assets carried at amortised cost which are farmer receivables, other receivables and borrowings to, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk assessment is performed every end of reporting period by comparing expected risk of default as of the reporting date against estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment and reversal of impairment losses are recognised in profit or loss included in administrative expenses as a separate line item.

Classification and measurement of financial assets for the year ended 31 December 2019 is disclosed in Note no. 6.1(b).

For the year ended 31 December 2019

*Investments in debt and equity securities*

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.

*Impairment*

In the year 2019, the Group recognised impairment of trade receivables based on the incurred loss model such as uncollectible or past due for a period less than 12 months, which was not taken into account future losses. Therefore, loss allowance and allowance for doubtful accounts are not comparable.

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

**7.8 Investment property**

Investment properties, principally freehold land, are held for long-term rental yields and are not occupied by the Group.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

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 and the cost of the item can be measured reliably.

Subsequently, they are carried at cost less impairment. Land is not depreciated.

## **7.9 Property, plant and equipment**

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

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

## **7.10 Intangible assets**

The acquired computer software, patent and rights to use of electricity wire with limited life are subsequently carried at cost less accumulated amortisation and impairment losses. The amortisation is calculated using the straight-line method over their estimated useful lives, as follows:

Computer software	5 years
Patent	10 years
Right to use of electricity wire	20 years

Cost associated with maintaining computer software are recognised as an expense as incurred.

## **7.11 Impairment of assets**

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. 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 of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding information related to COVID-19 as an indication of the impairment of assets.

## **7.12 Leases**

For the year ended 31 December 2020

### **Leases - where the Group is the lessee**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

### **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 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.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

For the year ended 31 December 2019

**Leases - where the Group is the lessee**

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.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

**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 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.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

**7.13 Financial liabilities**

For the year ended 31 December 2020

**a) Classification**

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

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 reporting date.

**b) Measurement**

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

**c) Derecognition and modification**

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

For the year ended 31 December 2019

### *Borrowings*

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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 reporting date.

### **7.14 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take months to get ready for its intended use or sale) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

### **7.15 Current and deferred income taxes**

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

#### *Current tax*

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. 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*

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries and associates 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 is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## **7.16 Employee benefits**

### **a) Short-term employee benefits**

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, profit-sharing and bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

### **b) Defined contribution plan**

The Group pays contributions to a separate fund on a fixed basis. 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.

### **c) Defined benefit plans**

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary 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 matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity

Past-service costs are recognised immediately in profit or loss.

## **7.17 Provisions**

Provisions 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 the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## **7.18 Revenue recognition**

Revenue includes 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 are 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 individual 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.

### **a) Sale of goods**

The Group's operation is manufacturing and distribution of sugar and molasses, trading agricultural products and distribution of packaging which are made from bagasse. The revenue from agreements with customers are recognised when the Group fulfil the obligation of the agreements by transferring the controls over the products to the customers as agreements at point in time or overtime.

Revenue under the steam and water purchase agreements are recognised at a point in time when the controls over the products are transferred to the customers as agreements. The revenue are recognised based on quantity transferred and agreed price following the condition in the agreements.

**b) Services**

The Group recognised revenue from transportation and other 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.

**c) Interest income and dividend income**

Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

**d) Other income**

Other income is recognised in the statement of income on an accrual basis.

**7.19 Dividend distribution**

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

**7.20 Derivatives and hedging activities**

**Embedded derivative and derivatives that do not qualify for hedge accounting.**

Embedded derivative that is separately accounted for and derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in other gains (losses).

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

**7.21 Financial guarantee contracts**

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under TFRS 9

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between a) the contractual payments required under the debt instrument; and b) the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

**8 Financial risk management**

**8.1 Financial risk**

The Group exposes to a variety of financial risk: market risk (including foreign exchange risk, 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.

Financial risk management is carried out by the Group Treasury Committee. The Group's policy includes areas such as foreign exchange risk, interest rate risk, price risk, credit risk and liquidity risk. The framework parameters are approved by the Board of Directors and used as the key communication and control tools for Treasury team globally.

### 8.1.1 Market risk

#### a) Foreign exchange risk

The Group is exposed to foreign exchange risk arises mainly in US Dollar from future commercial transactions. The Group has entered into foreign currency forward contracts through The Thai Sugar Trading Corp Co., Ltd. when it considered as appropriate to hedge their exposure to foreign exchange risk.

#### Exposure

The Group has no financial assets and financial liabilities that are denominated in foreign currency at the end of the reporting period except foreign currency forward contracts.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Baht are as follows:

	<b>Consolidated financial statements</b>
	<b>As at 31 December 2020</b>
	<b>US Dollar</b>
	<b>Baht</b>
Derivative contract not qualifying as hedge accounting	
- Foreign currency forwards (notional value)	142,010,000

#### Sensitivity analysis

The Group is primarily exposed to changes in Baht and US Dollar exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from future commercial transactions denominated in US Dollar

	<b>Consolidated financial statements</b>
	<b>As at 31 December 2020</b>
	<b>US Dollar</b>
	<b>Baht</b>
US Dollar to Baht exchange rate - increase 5%	(5,406,390)
US Dollar to Baht exchange rate - decrease 5%	5,406,390
<i>* Holding all other variables constant</i>	

The aggregate net other gains (losses) in profit or loss as at 31 December are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Gain (loss) on foreign exchange rate	(18,001,288)	8,208,280	-
Gain from measurement in fair value of derivative	6,850,262	-	-

**b) Cash flow and fair value interest rate risk**

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow risk. All interest rate derivative transactions are subject to approval by the Finance Director before execution.

The borrowings are carried at amortised cost. The interest rate is based on market interest rates which detailed in Note no. 27. Therefore, the Group is exposed to the risk of future changes in market interest rates.

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

	<b>Consolidated financial statements</b>			
	<b>2020</b>		<b>2019</b>	
	<b>Baht</b>	<b>% of total loans</b>	<b>Baht</b>	<b>% of total loans</b>
Variable rate borrowings	2,444,226,303	41	3,038,197,388	46

The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings. An analysis by maturities is provided in Note no 8.1.3.

**Sensitivity analysis**

Profit or loss is sensitive to higher or lower interest income from cash and cash equivalent and borrowings to and interest expenses from borrowings as a result of changes in interest rates.

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<b>Impact to net profit</b>	<b>Impact to net profit</b>
	<b>2020 Baht</b>	<b>2020 Baht</b>
Interest rate - increase 1%	(2,414,310)	(564,583)
Interest rate - decrease 1%	2,414,310	564,583

*\* Holding all other variables constant*

The Group has not entered into any contracts to hedge the variable interest rate risk.

**c) Price risk from fluctuation in sugar and sugar cane prices**

The Group's exposure to this price fluctuation arises from its income from domestic and overseas sugar distribution in the cane and sugar industry, which is based on the world market price of sugar. This sugar price fluctuates depending on supply and demand of consumers, which also affects the price of sugar cane, the main raw material for sugar production. However, the Group has no exposure to the price risk in relation to financial assets or financial liabilities, and the Group has no financial instruments used to hedge this risk of exposure to the price fluctuations.

**8.1.2 Credit risk**

Credit risk arises from cash and cash equivalents including credit risk that relates to trade and other receivables, farmer receivables and borrowings to.

**a) Risk management**

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of Investment grade credit rating are accepted.

If customers and farmer receivables are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on those assessments in accordance with limits set by the board. The compliance with credit limits by customers and farmer receivables is regularly monitored by line management.

**b) Collateral**

For some farmer receivables, the Group may obtain collateral in the form of guarantees or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

**c) Impairment of financial assets**

The Group have of financial assets that are subject to the expected credit loss model:

- Trade and other receivables
- Accrued income
- Farmer receivables
- Borrowings to related parties
- Borrowings to farmer receivables

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the Group's considered the identified impairment loss was immaterial.

The impairment of trade and other receivables and farmer receivables are disclosed in Note no.13 and 14.

**Borrowings to related parties**

Borrowings to related parties measured at amortised cost and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Lifetime expected credit losses is recognised for the loans that the credit risk is significant increased.

**8.1.3 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 59.97 million (2019: Baht 40.17 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

**a) Financing arrangements**

The Group has undrawn credit facilities as disclosure in Note no. 27.

**b) Maturity of financial liabilities**

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows.

	Consolidated financial statements				
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Book value Baht
<b>As at 31 December 2020</b>					
Trade and other payables	674,594,685	-	-	674,594,685	674,594,685
Short-term loans from financial institutions	762,929,111	-	-	762,929,111	758,866,000
Short-term loans from others	349,701,901	-	-	349,701,901	349,356,430
long-term borrowings from financial institutions and other and related interest	329,261,349	1,413,354,641	207,204,623	1,949,820,613	1,731,363,127
long-term borrowings from an associate and related interest	428,050,259	1,953,106,243	2,818,406,966	5,199,563,468	3,141,697,216
Lease liabilities	7,980,008	12,880,698	1,615,932	22,476,638	20,761,640
<b>Total financial liabilities that is not derivatives</b>	<b>2,552,517,313</b>	<b>3,379,341,582</b>	<b>3,027,227,521</b>	<b>8,959,086,416</b>	<b>6,676,639,098</b>

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

	Separate financial statements				
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Book value Baht
<b>As at 31 December 2020</b>					
Trade and other payables	24,692,611	-	-	24,692,611	24,692,611
Short-term loans from others	580,000	-	-	580,000	580,000
long-term borrowings from subsidiaries and related interest	271,462,739	970,358,220	3,626,614,629	4,868,435,588	2,717,161,781
Lease liabilities	4,272,411	5,567,527	-	9,839,938	9,355,235
<b>Total financial liabilities that is not derivatives</b>	<b>301,007,761</b>	<b>975,925,747</b>	<b>3,626,614,629</b>	<b>4,903,548,137</b>	<b>2,751,789,627</b>

## 8.2 Capital management

### 8.2.1 Risk management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

Consistent with others in the industry, the Group monitors capital based on gearing ratio which is determined by dividing net interest bearing debt (excluding loans from an associate) with equity.

During the year 2020, the Group's strategy, which remains unchanged, was to maintain an interest-bearing debt (excluding long term borrowings from Buriram Sugar Group Power Plant Infrastructure Fund) ratio not over 2.5. The ratios as at 31 December are as follows:

	Consolidated financial statements	
	2020 Baht	2019 Baht
Net interest bearing debt (excluding long term borrowings from Buriram Sugar Group Power Plant Infrastructure Fund)	2,839,585,557	3,396,342,680
Equity (including non-controlling interests)	1,855,833,401	1,862,934,270
<b>Net interest bearing debt to equity ratio</b>	<b>1.53 times</b>	<b>1.82 times</b>

#### Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

- the debt to equity ratio must be not more than 3 : 1,
- the interest bearing debt to equity ratio must be not more than 2.5 : 1, and
- the debt service coverage ratio must be not less than 1.

As at 31 December 2020, the Group has complied with these covenants according to terms and conditions as specified in the agreements.

## 9 Fair value

The following table shows fair values and carrying amounts of financial assets and liabilities by category, excluding those with the carrying amount approximates fair value.

	Consolidated financial statements				
	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Total carrying amount Baht	Fair value Baht
<b>As at 31 December 2020</b>					
<b>Financial assets measured at fair value</b>					
Financial assets measured at fair value through other comprehensive income	-	11,410,828	-	11,410,828	11,410,828
Foreign currency forwards contract	6,850,262	-	-	6,850,262	6,850,262
	6,850,262	11,410,828	-	18,261,090	18,261,090
<b>Financial liabilities not measured at fair value</b>					
Long-term borrowings from an associate	-	-	3,141,697,216	3,141,697,216	2,992,000,000
	-	-	3,141,697,216	3,141,697,216	2,992,000,000
<b>As at 1 January 2020</b>					
<b>Financial assets measured at fair value</b>					
Financial assets measured at fair value through other comprehensive income	-	11,410,828	-	11,410,828	11,410,828
	-	11,410,828	-	11,410,828	11,410,828
<b>Financial liabilities not measured at fair value</b>					
Long-term borrowings from an associate	-	-	3,235,654,702	3,235,654,702	3,250,000,000
	-	-	3,235,654,702	3,235,654,702	3,250,000,000

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

	<b>Separate financial statements</b>			
	<b>Fair value through other comprehensive income (FVOCI)</b>	<b>Amortised cost</b>	<b>Total carrying amount</b>	<b>Fair value</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>As at 31 December 2020</b>				
<b>Financial assets measured at fair value</b>				
Financial assets measured at fair value through other comprehensive income	2,175	-	2,175	2,175
	2,175	-	2,175	2,175
<b>Financial liabilities not measured at fair value</b>				
Long-term borrowings from a subsidiary	-	2,717,161,781	2,717,161,781	2,712,327,543
	-	2,717,161,781	2,717,161,781	2,712,327,543
<b>As at 1 January 2020</b>				
<b>Financial assets measured at fair value</b>				
Financial assets measured at fair value through other comprehensive income	2,175	-	2,175	2,175
	2,175	-	2,175	2,175
<b>Financial liabilities not measured at fair value</b>				
Long-term borrowings from a subsidiary	-	2,746,119,162	2,746,119,162	2,743,227,846
	-	2,746,119,162	2,746,119,162	2,743,227,846

Fair value of following financial assets and financial liabilities measured at amortised cost where their carrying value approximated fair value are as follows:

<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
<b>Financial assets</b>	<b>Financial assets</b>
- Cash and cash equivalents	- Cash and cash equivalents
- Trade and other receivables, net	- Trade and other receivables, net
- Farmer receivables, net	- Long-term borrowings to related parties
- Non-current farmer receivables, net	- Other non-current assets
- Accrued income - Office of the Cane and Sugar Fund	
- Long-term borrowings to farmer receivables	
- Other non-current assets	
<b>Financial liabilities</b>	<b>Financial liabilities</b>
- Trade and other payables	- Trade and other payables
- Short-term borrowings from financial institutions	- Short-term borrowings from others
- Short-term borrowings from others	- Other non-current liabilities
- Long-term borrowings from financial institutions and others	
- Other non-current liabilities	

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

The following table presents fair value of financial assets and liabilities recognised or disclosed by their fair value hierarchy, excluding where its value is approximating the carrying amount.

	Consolidated financial statements								Carrying amount	
	Level 1		Level 2		Level 3		Total			
	31 December 2020 Baht	31 December 2019 Baht	31 December 2020 Baht	31 December 2019 Baht	31 December 2020 Baht	31 December 2019 Baht	31 December 2020 Baht	31 December 2019 Baht	31 December 2020 Baht	31 December 2019 Baht
<b>Assets</b>										
<b>Financial assets at fair value through other comprehensive income</b>										
Equity investments	-	-	-	-	11,410,828	-	11,410,828	-	11,410,828	-
<b>Derivative</b>										
Foreign currency forward contract	-	-	6,850,262	-	-	-	6,850,262	-	6,850,262	-
<b>Total assets</b>	-	-	6,850,262	-	11,410,828	-	18,261,090	-	18,261,090	-
<b>Liabilities</b>										
<b>Financial liabilities not measured at fair value</b>										
Long-term borrowings from an associate	-	-	-	-	2,992,000,000	-	2,992,000,000	-	3,141,697,216	-
<b>Total liabilities</b>	-	-	-	-	2,992,000,000	-	2,992,000,000	-	3,141,697,216	-
<b>Separate financial statements</b>										
	Level 1		Level 2		Level 3		Total		Carrying amount	
	Level 1		Level 2		Level 3		Total			
	31 December 2020 Baht	31 December 2019 Baht	31 December 2020 Baht	31 December 2019 Baht	31 December 2020 Baht	31 December 2019 Baht	31 December 2020 Baht	31 December 2019 Baht	31 December 2020 Baht	31 December 2019 Baht
<b>Assets</b>										
<b>Financial assets at fair value through other comprehensive income</b>										
Equity investments	-	-	-	-	2,175	-	2,175	-	2,175	-
<b>Total assets</b>	-	-	-	-	2,175	-	2,175	-	2,175	-
<b>Liabilities</b>										
<b>Financial liabilities not measured at fair value</b>										
Long-term borrowings from a subsidiary	-	-	-	-	2,712,327,543	-	2,712,327,543	-	2,717,161,781	-
<b>Total liabilities</b>	-	-	-	-	2,712,327,543	-	2,712,327,543	-	2,717,161,781	-

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the current bid price / closing price by reference to the Stock Exchange of Thailand / the Thai Bond Dealing Centre
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data.

Financial assets and liabilities are measured at fair value following the accounting policy that is disclosed in Note no.7.7 and Note no.7.13.

The Group has no transfers between fair value hierarchy levels.

**Valuation techniques used to measure fair value level 2**

Market comparison technique is used in measuring the fair values of foreign currency forward contract. The fair value based on broker quotes. Similar contracts are trade in an active market and quotes reflect the actual transactions in similar instruments.

### Valuation techniques used to measure fair value level 3

#### Equity investment

Changes in level 3 financial assets for the year ended 31 December 2020 is as follows:

	<b>Consolidated financial statements Baht</b>	<b>Separate financial statements Baht</b>
<b>Unlisted equity securities</b>		
<b>Opening balance as at 1 January 2020</b>	11,410,828	2,175
Addition	-	-
Disposal	-	-
Gain (loss) recognised in other comprehensive income	-	-
<b>Closing balance as at 31 December 2020</b>	11,410,828	2,175

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC. The Group chose to measure the fair value of its unquoted equity investments at the end of the reporting period at the same amount as the investments' fair value on 1 January 2020 (the date of initial application of TFRS 9).

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

	<b>Fair value Baht</b>	<b>Unobservable inputs</b>	<b>Consolidated financial statements Range of inputs Baht</b>
Unlisted equity securities	11,410,828	Growth rate of cash flows Risk-adjusted discount rate	0% - 3% 8% - 11%

Relationship of unobservable inputs to fair value are shown as follows:

	<b>Unobservable inputs</b>	<b>Movement</b>	<b>Change in fair value</b>	
			<b>Increase in assumptions</b>	<b>Decrease in assumptions</b>
Unlisted equity securities	Growth rate of cash flows	1%	Increase by 96%	Decrease by 75%
	Risk-adjusted discount rate	1%	Decrease by 69%	Increase by 89%

#### The Group's valuation processes

Significant unobservable input of fair value hierarchy level 3 is risk adjusted discount rate. It is estimated based on public companies' weighted average cost of capital that, are in opinion of the Group, in a comparable financial position with the counterparty in the contract. The Group has subscriptions to information brokers to gather such information.

#### Long-term borrowings

The fair values of long-term borrowings were calculated based on contractual cash flows discounted using a current lending rate including the entity credit risk which is an unobservable input.

## **10 Critical accounting estimates, assumptions and judgements**

Estimates 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.

### **a) Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

### **b) Impairment of property, plant and equipment, investments in subsidiaries and investment in an associate**

The Group tests impairment of property, plant and equipment, investments in subsidiaries and investment in an associate 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.

### **c) 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.

### **d) 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. 29.

### **e) Fair value of certain financial assets and derivatives**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note no. 9.

### **f) Raw material costs**

The Group used the calculation method of Office of the Cane and Sugar Board to recognise sugar cane costs, which requires assumptions such as the sales forecast and foreign exchange rates. The price is adjusted with the Commercial Cane Sugar (C.C.S.) yield.

**g) Determination of lease terms**

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on land, building, equipment and vehicles leases have not been included in the lease liability, because the Group considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

**h) Determination of discount rate applied to leases**

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

## **11 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 such as manufacturing and distribution of packaging which are made from bagasse and provide logistics services

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 2020, the Group's revenue from sales external customers approximately 59.91% is mostly the domestic sales. (2019: approximately 57.93% is mostly the export sales. Revenue attributed to foreign counties are mainly from countries in Asia). 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.

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

272



Buriram Sugar Public Company Limited

Operating segments of the Group are as follows:

**For the years ended 31 December**

	Unit: Million Baht									
	Sugar and Molasses business					Electricity and steam generation and distribution				
	2020	2019	2020	2019	2020	2020	2019	2020	2019	2020
Revenue from sales and services	171	303	272	278	293	414	414	38	71	774
- Intersegment revenue	3,049	3,987	362	375	363	479	479	119	144	1,066
- Revenue from external customers										(1,066)
Total	3,220	4,290	634	653	656	893	893	157	215	4,667
Profit (loss) from operating segments	294	50	106	73	127	207	207	(40)	14	487
Other income										138
Administrative and selling expenses										625
Expected credit loss										154
Finance costs										(401)
Share of profit from an associate										(17)
Income tax										(331)
Profit (loss) for the year										6
<b>Timing of revenue recognition</b>										
At a point in time	3,181	4,265	601	581	656	893	893	149	215	4,587
Over time	39	25	33	72	-	-	-	8	-	80
Total revenue	3,220	4,290	634	653	656	893	893	157	215	4,667
Eliminated entries										(774)
Total										6,051
Consolidated financial statements										3,893
										4,985

**As of 31 December**

	Unit: Million Baht									
	Sugar and Molasses business					Electricity and steam generation and distribution				
	2020	2019	2020	2019	2020	2020	2019	2020	2019	2020
Inventories, net	414	800	83	93	20	7	55	18	572	918
Property, plant and equipment, net	3,347	3,491	81	93	1,431	1,513	689	594	5,548	5,691
Other assets, net	1,405	1,594	200	159	4,849	5,149	5,114	5,121	11,568	12,023
Total assets	5,166	5,885	364	345	6,300	6,669	5,858	5,733	17,688	18,632
Eliminated entries										(9,055)
Total										8,633
Consolidated financial statements										9,429

During the year ended 31 December 2020, allowance for impairment of land and land improvement of subsidiaries, which included in "Others" operating segment, have been reversed amounting to Baht 98.42 million. (Note no. 22)

## 12 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cash on hand	450,000	440,000	80,000	80,000
Deposits held at call with banks	59,974,535	40,173,707	5,814,017	2,416,796
	60,424,535	40,613,707	5,894,017	2,496,796

As at 31 December 2020, the weighted average effective interest rate of deposits held at call with banks was 0.13% per annum (2019: 0.38% per annum).

## 13 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade receivables - third parties	34,558,784	50,193,923	7,763,431	7,763,431
Trade receivables - related parties	394,969	197,874,924	-	-
<u>Less</u> Loss allowance (2019: Allowance for doubtful accounts under TAS 101)	(18,189,166)	(17,908,788)	(7,763,431)	(7,763,431)
Total trade receivables, net	16,764,587	230,160,059	-	-
Other receivables - third parties	4,020,170	469,090	-	2,550
Other receivables - related parties	-	21,268	8,991,541	59,300,532
<u>Less</u> Loss allowance (2019: Allowance for doubtful accounts under TAS 101)	(52,248)	-	-	-
Total others receivables, net	3,967,922	490,358	8,991,541	59,303,082
Accrued income - third parties	29,788,887	48,499,462	9,625	-
Accrued income - related parties	5,121,868	441,632	-	-
Advance payments	500,000	608,175	-	8,500
Prepaid expenses	74,946,433	108,486,159	2,800,836	1,438,415
Accrued interest income - related parties	-	-	13,095,854	57,268,140
Total trade and other receivables, net	131,089,697	388,685,845	24,897,856	118,018,137

### Fair values of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

**Impairments of trade and other receivables and accrued income**

The loss allowance for trade receivable, other receivables from others services income and accrued income are determined as follows:

<b>Consolidated financial statements</b>						
	<b>Not yet due Baht</b>	<b>Up to 3 months Baht</b>	<b>3 - 6 months Baht</b>	<b>6 - 12 months Baht</b>	<b>More than 12 months Baht</b>	<b>Total Baht</b>
<b>As of 1 January 2020</b>						
<b>Third parties</b>						
Gross carrying amount						
- Trade and other receivables	25,389,228	6,646,377	9,174	52,500	18,565,734	50,663,013
- Accrued income	48,499,462	-	-	-	-	48,499,462
Loss allowance	-	(11,570)	(161)	(52,500)	(18,565,734)	(18,629,965)
<b>Related parties</b>						
Gross carrying amount						
- Trade and other receivables	-	197,864,835	-	31,357	-	197,896,192
- Accrued income	441,632	-	-	-	-	441,632
Loss allowance	-	(26,140)	-	(20,905)	-	(47,045)
<b>Consolidated financial statements</b>						
	<b>Not yet due Baht</b>	<b>Up to 3 months Baht</b>	<b>3 - 6 months Baht</b>	<b>6 - 12 months Baht</b>	<b>More than 12 months Baht</b>	<b>Total Baht</b>
<b>As 31 December 2020</b>						
<b>Third parties</b>						
Gross carrying amount						
- Trade and other receivables	11,160,225	5,058,144	1,950,308	2,451,998	17,958,279	38,578,954
- Accrued income	29,788,887	-	-	-	-	29,788,887
Loss allowance	(13,647)	(7,684)	(26,294)	(203,003)	(17,958,279)	(18,208,907)
<b>Related parties</b>						
Gross carrying amount						
- Trade and other receivables	261,655	2,421	99,650	-	31,243	394,969
- Accrued income	5,121,868	-	-	-	-	5,121,868
Loss allowance	(53)	-	(1,211)	-	(31,243)	(32,507)
<b>Separate financial statements</b>						
	<b>Not yet due Baht</b>	<b>Up to 3 months Baht</b>	<b>3 - 6 months Baht</b>	<b>6 - 12 months Baht</b>	<b>More than 12 months Baht</b>	<b>Total Baht</b>
<b>As of 1 January 2020</b>						
<b>Third parties</b>						
Gross carrying amount						
- Trade and other receivables	2,550	-	-	-	7,763,431	7,765,981
- Accrued income	9,625	-	-	-	-	9,625
Loss allowance	-	-	-	-	(7,763,431)	(7,763,431)
<b>Separate financial statements</b>						
	<b>Not yet due Baht</b>	<b>Up to 3 months Baht</b>	<b>3 - 6 months Baht</b>	<b>6 - 12 months Baht</b>	<b>More than 12 months Baht</b>	<b>Total Baht</b>
<b>As 31 December 2020</b>						
<b>Third parties</b>						
Gross carrying amount						
- Trade and other receivables	-	-	-	-	7,763,431	7,763,431
Loss allowance	-	-	-	-	(7,763,431)	(7,763,431)

Other receivables - related parties are generally within 3 months.

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

The reconciliations of loss allowance for trade and other receivables for the years ended 31 December are as follow:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
<b>As of 1 January - calculated under TAS 101</b>				
	17,908,788	18,424,722	7,763,431	7,763,431
Amounts restated through opening retained earnings	768,222	-	-	-
Opening loss allowance as at 1 January 2020 - calculated under TFRS 9 (2019: TAS 101)	18,677,010	18,424,722	7,763,431	7,763,431
Increase in loss allowance recognised in profit or loss during the year	-	-	-	-
Reversal of loss allowance	(435,596)	(515,934)	-	-
<b>As of 31 December - calculated under TFRS 9 (2019: TAS 101)</b>	<b>18,241,414</b>	<b>17,908,788</b>	<b>7,763,431</b>	<b>7,763,431</b>

**14 Farmer receivables, net**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Farmer receivables				
- Third parties	454,689,643	296,213,210	66,621,568	67,753,806
- Related parties	5,351,864	3,561,157	-	-
	460,041,507	299,774,367	66,621,568	67,753,806
<u>Less</u> Loss allowance (2019: Allowance for doubtful accounts under TAS 101)	(93,465,036)	(89,152,769)	(66,621,568)	(67,753,806)
	366,576,471	210,621,598	-	-

Outstanding farmer receivables - third parties can be classified by season as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Season 2021/2022	262,347,741	-	-	-
Season 2020/2021	67,001,716	42,305,410	-	-
Season 2019/2020	5,972,167	102,922,510	-	-
Season 2018/2019	5,480,172	30,300,470	-	-
Season 2017/2018	9,241,362	12,599,878	-	-
Season 2016/2017	10,701,586	12,797,978	-	-
Season 2015/2016	14,184,643	14,472,705	-	-
Season 2014/2015	10,191,776	9,967,145	-	-
Before season 2014/2015	69,568,480	70,847,114	66,621,568	67,753,806
	454,689,643	296,213,210	66,621,568	67,753,806
<u>Less</u> Loss allowance (2019: Allowance for doubtful accounts under TAS 101)	(93,460,790)	(89,152,769)	(66,621,568)	(67,753,806)
	361,228,853	207,060,441	-	-

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

Outstanding farmer receivables - related parties can be classified by season as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Season 2021/2022	3,929,666	-	-	-
Season 2020/2021	1,422,198	761,584	-	-
Season 2019/2020	-	2,658,012	-	-
Season 2018/2019	-	141,561	-	-
	<b>5,351,864</b>	<b>3,561,157</b>	<b>-</b>	<b>-</b>
<u>Less</u> Loss allowance (2019: Allowance for doubtful accounts under TAS 101)	(4,246)	-	-	-
	<b>5,347,618</b>	<b>3,561,157</b>	<b>-</b>	<b>-</b>

**Non-current farmer receivables, net**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Non-current farmer receivables				
- Third parties	121,477,609	31,116,324	-	-
- Related parties	6,534,575	-	-	-
	<b>128,012,184</b>	<b>31,116,324</b>	<b>-</b>	<b>-</b>
<u>Less</u> Loss allowance (2019: Allowance for doubtful accounts under TAS 101)	(10,768,788)	-	-	-
	<b>117,243,396</b>	<b>31,116,324</b>	<b>-</b>	<b>-</b>

Outstanding non-current farmer receivables - third parties can be classified by season as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Season 2027/2028	324,532	364,632	-	-
Season 2026/2027	1,058,085	934,677	-	-
Season 2025/2026	1,343,640	1,423,977	-	-
Season 2024/2025	50,287,745	1,912,504	-	-
Season 2023/2024	28,069,968	2,974,022	-	-
Season 2022/2023	40,393,639	8,140,593	-	-
Season 2021/2022	-	15,365,919	-	-
	<b>121,477,609</b>	<b>31,116,324</b>	<b>-</b>	<b>-</b>
<u>Less</u> Loss allowance (2019: Allowance for doubtful accounts under TAS 101)	(10,732,305)	-	-	-
	<b>110,745,304</b>	<b>31,116,324</b>	<b>-</b>	<b>-</b>

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

Outstanding non-current farmer receivables - related parties can be classified by season as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Season 2024/2025	2,226,017	-	-	-
Season 2023/2024	2,177,544	-	-	-
Season 2022/2023	2,131,014	-	-	-
	6,534,575	-	-	-
<u>Less</u> Loss allowance (2019: Allowance for doubtful accounts under TAS 101)	(36,483)	-	-	-
	6,498,092	-	-	-

**Impairments of farmer receivables and non-current farmer receivables**

The reconciliations of loss allowance for farmer receivables and non-current farmer receivables for the years ended 31 December are as follow:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
<b>1 January - calculated under TAS 101</b>	89,152,769	84,017,210	67,753,806	70,030,056
Amounts restated through opening retained earnings	12,075,278	-	-	-
Opening loss allowance as at 1 January 2020 - calculated under TFRS 9 (2019: TAS 101)	101,228,047	84,017,210	67,753,806	70,030,056
Increase in loss allowance recognised in profit or loss during the year	8,484,577	13,034,835	284,391	236,857
Reversal of loss allowance	(5,478,800)	(7,899,276)	(1,416,629)	(2,513,107)
<b>As of 31 December - calculated under TFRS 9 (2019: TAS 101)</b>	104,233,824	89,152,769	66,621,568	67,753,806

**15 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 2020 and 2019, 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.

## 16 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Raw materials	45,905,643	32,153,027	-	-
Finished goods	376,055,167	763,719,241	-	-
Merchandise inventories	38,410,790	48,285,711	-	-
Work in process	94,501,076	27,744,526	-	-
Factory supplies	44,978,243	50,466,967	-	-
	599,850,919	922,369,472	-	-
<u>Less</u> Allowance declining in value of inventories				
Obsolescence and damaged inventories				
- Raw materials	(480,455)	(585,310)	-	-
- Work in progress	(3,378,692)	(7,345,433)	-	-
- Factory supplies	(1,108,893)	(1,125,414)	-	-
Net realisable value lower than cost				
- Finished goods	(9,888,685)	(1,358,686)	-	-
- Work in progress	(16,168,246)	-	-	-
- Merchandise inventories	(387,977)	-	-	-
	(31,412,948)	(10,414,843)	-	-
	568,437,971	911,954,629	-	-

The cost of inventories for the years ended 31 December recognised as expenses in cost of sales are as follow:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cost of sales	3,211,463,209	4,199,706,263	-	-
Allowance for declining in value of inventories (reversal)	20,998,105	(7,621,386)	-	-

## 17 Other current assets

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Revenue Department receivable	11,108,736	58,219,538	-	4,474,853
Withholding tax	6,907,094	2,292,224	5,192,810	2,015,803
Others	7,772,803	4,794,329	18,876	7,305
	25,788,633	65,306,091	5,211,686	6,497,961

## 18 Investments in an associate

The amounts recognised in the statements of financial position are as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	Equity method		Cost method	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
An associate	1,004,925,551	1,111,340,992	1,025,825,366	1,099,855,592

The amounts recognised in the statements of comprehensive income are as follows:

For the years ended 31 December	Consolidated financial statements	
	2020 Baht	2019 Baht
An associate	812,713	63,783,415

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:

	Buriram Sugar Group Power Plant Infrastructure Fund	
	2020 Baht	2019 Baht
<b>Current Assets</b>		
Cash and cash equivalents	19,239,432	5,096,718
Other current assets	27,683,304	106,939,931
Total current assets	46,922,736	112,036,649
<b>Non-current Assets</b>	2,992,000,000	3,250,000,000
<b>Current liabilities</b>		
Other current liabilities	1,888,215	3,011,228
Total current liabilities	1,888,215	3,011,228
<b>Net assets</b>	3,037,034,521	3,359,025,421

Summarised statement of comprehensive income for the years ended 31 December:

	<b>Buriram Sugar Group Power Plant Infrastructure Fund</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>
Interest income	209,840,743	244,178,669
Total revenue	209,840,743	244,178,669
Total expenses	(29,789,851)	(26,962,682)
Unrealised loss on investment valuation	(177,591,792)	(24,220,696)
<b>Total comprehensive income</b>	<b>2,459,100</b>	<b>192,995,291</b>

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>2020 Baht</b>	<b>2019 Baht</b>
<b>Opening net assets</b>	3,359,025,421	3,651,826,630
Total comprehensive income	2,459,100	192,995,291
Dividends paid	(100,450,000)	(198,796,500)
Reduction of investment unit value	(224,000,000)	(287,000,000)
<b>Closing net assets</b>	<b>3,037,034,521</b>	<b>3,359,025,421</b>
Interest in an associate (33.05%)	1,004,925,551	1,111,340,992
<b>Carrying value</b>	<b>1,004,925,551</b>	<b>1,111,340,992</b>

The movements of investments in an associate for the years ended 31 December, are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Opening book balance	1,111,340,992	1,208,109,474	1,099,855,592	1,194,706,819
Dividends received from an associate	(33,197,928)	(65,700,670)	-	-
Share of profit from an associate	812,713	63,783,415	-	-
Reduction of investment unit value	(74,030,226)	(94,851,227)	(74,030,226)	(94,851,227)
Closing book balance	1,004,925,551	1,111,340,992	1,025,825,366	1,099,855,592

#### Buriram Sugar Group Power Plant Infrastructure Fund

As at 31 December 2020, Buriram Sugar Public Company Limited subscribed for totalling 115,672,228 units in Buriram Sugar Group Power Plant Infrastructure Fund ("the Fund") totalling Baht 1,004.93 million (2019: Baht 1,111.34 million), by equity method, which is equivalent to 33.05% of the number of units in public issuance.

As at 31 December 2020, 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 705.60 million (2019: Baht 948.51 million).

**19 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>2020 Baht</b>	<b>2019 Baht</b>
Opening book balance	1,508,476,700	1,450,476,300
Acquisitions	1,625,000,000	72,999,400
Allowance for impairment (reversal)	14,999,000	(14,999,000)
Closing book balance	3,148,475,700	1,508,476,700

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

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	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		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	2,050	1,050	99.95	99.90	2,049	1,049	-	-	2,049	1,049	-	-
Chamni Sugar Factory Co., Ltd.	Manufacturing and distribution of sugar and molasses	186	5	99.99	99.99	186	5	-	(5)	186	-	-	-
Buriram Sugar Capital Co., Ltd.	Manufacturing and distribution of sugar and molasses	64	10	99.99	99.99	64	10	-	(10)	64	-	-	-
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	-	-
Sugarcane Ecoware Co., Ltd.	Manufacturing and distribution of packaging from bagasses and natural materials	285	75	99.99	99.99	285	75	-	-	285	75	-	-
BRR Logistics Management Co., Ltd.	Providing logistics services	3	3	99.98	99.98	3	3	-	-	3	3	-	-
Buriram Power Plus Co., Ltd.	Power plant for electricity and steam generation and distribution	340	160	99.99	99.99	340	160	-	-	340	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	102	61
- Buriram Power Co., Ltd.	Power plant for electricity and steam generation and distribution	170	170	99.99	99.99	-	-	-	-	-	-	-	-
Total investment in subsidiaries, net						3,148	1,523	-	(15)	3,148	1,508	102	61

#### **Buriram Sugar Factory Co., Ltd.**

On 22 July 2020, the Extraordinary Shareholder's Meeting No. 1/2020 of Buriram Sugar Factory Co., Ltd. passed a resolution to approve an increase in registered capital from 10.50 million to 20.50 million ordinary shares at a par value of Baht 100 per share, totalling Baht 1,000 million. The subsidiary registered the increased share capital with the Ministry of Commerce on 31 July 2020.

On 26 June 2020, the Company's Board of Directors' meeting No. 5/2020 passed a resolution to approve an additional Baht 1,000 million investment in the subsidiary, which increased its shareholding proportion from 99.91% to 99.95%. The Company fully paid for this investment on 23 July 2020.

#### **Chamni Sugar Factory Co., Ltd.**

On 12 November 2020, the Company's Extraordinary Shareholder's Meeting No. 1/2020 of Chamni Sugar Factory Co., Ltd. passed a resolution to approved an increase in the registered capital from 0.05 million ordinary shares to 1.86 million ordinary shares at a par value of Baht 100 per share, totalling Baht 181 million. On 12 November 2020, the Company's Board of Directors' Meeting No. 8/2020, passed a resolution to approve the Company's additionally invested in the subsidiary with the same shareholding proportion. The Company fully paid for this investment on 13 November 2020. The Company registered the increased share capital with the Ministry of Commerce on 18 November 2020.

#### **Buriram Sugar Capital Co., Ltd.**

On 12 November 2020, the Company's Extraordinary Shareholder's Meeting No. 1/2020 of Buriram Sugar Capital Co., Ltd. passed a resolution to approved an increase in the registered capital from 0.10 million ordinary shares to 0.64 million ordinary shares at a par value of Baht 100 per share, totalling Baht 54 million. On 12 November 2020, the Company's Board of Directors' Meeting No. 8/2020, passed a resolution to approve the Company's additionally invested in the subsidiary with the same shareholding proportion. The Company fully paid for this investment on 13 November 2020. The Company registered the increased share capital with the Ministry of Commerce on 18 November 2020.

#### **Sugarcane Ecoware Co., Ltd.**

On 12 November 2020, the Company's Extraordinary Shareholder's Meeting No. 1/2020 of Sugarcane Ecoware Co., Ltd. passed a resolution to approved an increase in the registered capital from 0.75 million ordinary shares to 2.85 million ordinary shares at a par value of Baht 100 per share, totalling Baht 210 million. On 12 November 2020, the Company's Board of Directors' Meeting No. 8/2020, passed a resolution to approve the Company's additionally invested in the subsidiary with the same shareholding proportion. The Company fully paid for this investment on 13 November 2020. The Company registered the increased share capital with the Ministry of Commerce on 18 November 2020.

#### **Buriram Power Plus Co., Ltd.**

On 21 December 2020, the Company's Extraordinary Shareholder's Meeting No. 1/2020 of Buriram Power Plus Co., Ltd. passed a resolution to approved an increase in the registered capital from 1.60 million ordinary shares to 3.40 million ordinary shares at a par value of Baht 100 per share, totalling Baht 180 million.

On 4 December 2020, the Company's Board of Directors' Meeting No. 5/2020, passed a resolution to approve the Company's additionally invested in Buriram Power Plus Co., totalling Baht 180 million.

#### **Entire Business Transfer (EBT) of subsidiaries**

On 13 August 2020, the Company's Board of Directors' meeting No. 7/2020 approved an EBT of subsidiaries to restructure the businesses in the Group. In this transfer, Buriram Sugarcane Research and Development Co., Ltd. was the transferor and Buriram Sugar Factory Co., Ltd. was the transferee. Buriram Sugar Factory Co., Ltd. entered into the Business Transfer Agreement with Buriram Sugarcane Research and Development Co., Ltd. on 13 August 2020 whereby the Company agreed to receive the EBT effective on 31 August 2020 from the transferor, including but not limited to the assets, liabilities, employees and other rights and obligations.

On 28 August 2020, the Extraordinary Shareholder's Meeting No. 2/2020 of Buriram Sugar Factory Co., Ltd. approved an increase in the 644,926 newly-issued ordinary shares at a par value of Baht 100 per share to Buriram Sugarcane Research and Development Co., Ltd. as a consideration of the EBT. Buriram Sugarcane Research and Development Co., Ltd. registered its dissolution with Ministry of Commerce on 30 September 2020 and still during the liquidation process.

The transaction was considered as a business combination under common control of the ultimate controlling shareholder, which is Buriram Sugar Public Company Limited, before and after the business transfer, and that control is not transitory.

The EBT transaction has no impact to the consolidated and separate financial statements.

### Impairment assessment of investments in subsidiaries

As of 31 December 2020, some of the Group's subsidiaries had indicators of possible impairment (due to their inability to achieve expected profits or having continuous net losses) which might affect their recoverable amounts. Management considered these as impairment indicators of investments in subsidiaries.

The Group's management assessed the recoverable amount of the investments in subsidiaries by determining discounted future cash flows. The key assumptions used to determine the recoverable amount (which was calculated by using the value-in-use method) included forecasted revenue, expected changes to working capital, operating expenditures, the long-term growth rate (derived from expectations of future outcomes taking past experience into account and adjusting for anticipated revenue growth) and the discount rate referring to the weighted average cost of capital (WACC). The recoverable amount was estimated to be higher than its carrying amount, so no allowance for impairment of investments in subsidiaries was needed in the separate financial statements.

During the year ended 31 December 2020, the Group reversed loss allowances of Baht 5 million and Baht 10 million of 'allowance for impairment of investments in subsidiaries' in Chamni Sugar Factory Co., Ltd. and Buriram Sugar Capital Co., Ltd., respectively, in the separate financial statements. This was because the Group's management considered that a potential change in a key assumption could cause a positive impact in the near future. These subsidiaries have an investment plan for the manufacturing and distribution of its sugar business which caused the recoverable amount to exceed its carrying amount. The key assumptions used included the forecasted revenue and discount rates referring to WACC at 7.69% and 7.71%, respectively. The discount rates would need to be changed (increasing 17.14% and 29.05%, respectively) for the estimated recoverable amount to be equal the carrying amount.

### 20 Long-term borrowings to farmer receivables, net

Borrowings to farmers are borrowings to farmer for purchasing agricultural machinery and tools and equipment.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Current portion of long-term borrowings	40,255,503	127,426,477	-	-
<u>Less</u> Loss allowance (2019: Allowance for doubtful accounts under TAS 101)	(2,007,249)	-	-	-
Current portion of long-term borrowings, net	38,248,254	127,426,477	-	-
Long-term borrowings	159,087,405	193,261,017	-	-
<u>Less</u> Loss allowance (2019: Allowance for doubtful accounts under TAS 101)	(13,851,122)	-	-	-
Long-term borrowings, net	145,236,283	193,261,017	-	-
	183,484,537	320,687,494	-	-

The movements of long-term borrowings to farmer receivables are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Opening balance	320,687,494	407,866,681	-	-
Additions	2,438,692	36,214,649	-	-
Repayments received	(123,783,278)	(123,393,836)	-	-
<u>Loss</u> Allowance (2019: Allowance for doubtful accounts under TAS 101)	(15,858,371)	-	-	-
Closing balance	183,484,537	320,687,494	-	-

As at 31 December 2020, long-term borrowings to farmer receivables bear interest at the rate 6.63% per annum (2019: 7.02% per annum).

#### Fair values of long-term borrowings to farmer receivables

The long-term borrowings to farmer receivables with floating interest rates, the fair values approximate their carrying amounts.

Long-term borrowings to farmer receivables including long-term borrowings to related parties as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Current portion of long-term borrowings	1,500,000	10,947,820	-	-
Long-term borrowings, net	-	1,500,000	-	-
	1,500,000	12,447,820	-	-

#### Impairments of long-term borrowings to farmer receivables

The reconciliations of loss allowance for long-term borrowings to farmer receivables for the years ended 31 December are as follow:

	Consolidated financial statements	
	2020 Baht	2019 Baht
<b>1 January - calculated under TAS 101</b>		
Amounts restated through opening retained earnings	15,440,583	-
Opening loss allowance as at 1 January 2020 - calculated under TFRS 9 (2019: TAS 101)	15,440,583	-
Increase in loss allowance recognised in profit or loss during the year	417,788	-
<b>As of 31 December - calculated under TFRS 9 (2019: TAS 101)</b>	15,858,371	-

## 21 Investment property

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>As at 1 January</b>				
Cost	3,971,127	3,971,127	3,971,127	3,971,127
Less Allowance for impairment	-	-	-	-
Net book amount	3,971,127	3,971,127	3,971,127	3,971,127
<b>For the year ended 31 December</b>				
Opening net book amount	3,971,127	3,971,127	3,971,127	3,971,127
Additions	-	-	-	-
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
Less Allowance for impairment	-	-	-	-
Net book amount	3,971,127	3,971,127	3,971,127	3,971,127

As at 31 December 2020, the fair value of investment property is at Baht 4.78 million (2019: Baht 3.95 million).

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.

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

**22 Property, plant and equipment, net**

Consolidated financial statements										
	Land and land improvement	Building and building improvement	Machinery and tools	Tools and agriculture equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction	Total		
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>As at 1 January 2019</b>										
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		
<b>For the year ended 31 December 2019</b>										
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		
<b>As at 31 December 2019</b>										
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		
<b>For the year ended 31 December 2020</b>										
Opening 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		
Additions	1,768,285	7,929,339	15,848,723	5,166,864	3,719,771	3,044,180	88,243,838	125,721,000		
Transfer in (out)	11,535,172	127,080,972	152,452,269	1,299,471	1,931,218	-	(294,299,102)	-		
Disposals, net	-	-	(15,809,250)	(111,558)	(235,944)	(653,512)	-	(16,810,264)		
Write-off, net	-	(238,450)	(32,163,998)	(9,222)	(158,956)	(6)	-	(32,570,632)		
Reclassification, net	-	-	-	(16,257)	-	-	(648,629)	(664,886)		
Reversal of allowance for impairment	98,419,224	-	-	-	-	-	-	98,419,224		
Depreciation charges	(7,264,460)	(44,266,050)	(226,659,360)	(14,349,794)	(13,883,602)	(10,265,076)	-	(316,688,342)		
Closing net book amount	466,747,037	1,072,164,596	3,821,730,604	25,335,843	33,920,382	50,972,198	61,377,640	5,532,248,300		
<b>As at 31 December 2020</b>										
Cost	495,136,251	1,363,997,283	5,100,304,522	112,902,550	112,184,433	126,813,271	62,060,444	7,373,398,754		
Less Allowance for impairment	-	-	-	-	-	-	(682,804)	(682,804)		
Accumulated depreciation	(28,389,214)	(291,832,687)	(1,278,573,918)	(87,566,707)	(78,264,051)	(75,841,073)	-	(1,840,467,650)		
Net book amount	466,747,037	1,072,164,596	3,821,730,604	25,335,843	33,920,382	50,972,198	61,377,640	5,532,248,300		

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

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As at 31 December 2020, assets at the net book value of Baht 48.06 million are under hire-purchase contracts (2019: Baht 53.97 million).

As at 31 December 2020, the building and equipment are fully depreciated but still in use with costs value of Baht 136.72 million (2019: Baht 66.16 million).

As at 31 December 2020, property, plant and equipment at the net book value of Baht 1,981.75 million are pledged as collaterals for long-term borrowings from financial institutions (2019: Baht 1,971.13 million) (Note no. 27).

As at 31 December 2020, borrowing costs of Baht 5.79 million (2019: Baht 19.75 million) arising from financing were capitalised and are included in 'Additions' with capitalisation rate of 4.86% - 5.02% (2019: 4.53% - 5.78%).

During the year ended 31 December 2020, allowance for impairment of land and land improvement of subsidiaries which included in "Others" operating segment in the consolidated financial statements have been reversed amounting to Baht 98.42 million as a result of land development. 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, the recoverable amount of the underlying assets are higher than the carrying amount.

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

	Separate financial statements				
	Building and building improvement	Furniture, fixtures and office equipment	Vehicles	Asset under construction	Total
	Baht	Baht	Baht	Baht	Baht
<b>As at 1 January 2019</b>					
Cost	14,807,604	8,185,983	28,494,753	3,696,531	55,184,871
Less 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
Less 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
<b>For the year ended 31 December 2020</b>					
Opening net book amount	18,239,150	4,757,609	14,248,061	-	37,244,820
Additions	-	446,320	2,241,198	-	2,687,518
Disposals, net	-	-	(2)	-	(2)
Write-off, net	-	(8,070)	-	-	(8,070)
Depreciation charges	(1,134,149)	(1,364,612)	(2,114,270)	-	(4,613,031)
Closing net book amount	17,105,001	3,831,247	14,374,987	-	35,311,235
<b>As at 31 December 2020</b>					
Cost	28,160,708	9,753,779	31,752,966	-	69,667,453
Less Accumulated depreciation	(11,055,707)	(5,922,532)	(17,377,979)	-	(34,356,218)
Net book amount	17,105,001	3,831,247	14,374,987	-	35,311,235

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

As at 31 December 2020, assets at the net book value of Baht 14.06 million are under hire-purchase contracts (2019: Baht 13.81 million).

As at 31 December 2020, property and equipment are fully depreciated but still in use with costs value of Baht 12.49 million (2019: Baht 10.85 million).

Depreciation charge for the years ended 31 December are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Depreciation charge for property, plant and equipment				
- Cost of sales	289,537,331	314,987,472	-	-
- Administrative expenses	27,151,011	24,684,640	4,613,031	4,359,719
	316,688,342	339,672,112	4,613,031	4,359,719

**23 Right-of-use assets, net**

	<b>Consolidated financial statements</b>				
	<b>Land</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Vehicles</b>	<b>Total</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Balance as at 1 January 2020</b> (Note no. 6)	5,927,363	12,452,641	-	6,059,618	24,439,622
Additions	-	2,052,984	159,025	-	2,212,009
Lease termination	(381,938)	(4,045,951)	-	(5,390,627)	(9,818,516)
Depreciation	(875,307)	(1,372,699)	(33,307)	(668,991)	(2,950,304)
<b>Balance as at 31 December 2020</b>	4,670,118	9,086,975	125,718	-	13,882,811

	<b>Separate financial statements</b>		
	<b>Buildings</b>	<b>Equipment</b>	<b>Total</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Balance as at 1 January 2020</b> (Note no. 6)	4,321,613	-	4,321,613
Additions	-	159,025	159,025
Lease termination	-	-	-
Depreciation	(1,082,622)	(33,307)	(1,115,929)
<b>Balance as at 31 December 2020</b>	3,238,991	125,718	3,364,709

The expense relating to leases that not included in the measurement of lease liabilities, right-of-use and cash outflows for leases is as follows:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<b>2020</b>	<b>2020</b>
	<b>Baht</b>	<b>Baht</b>
Expense relating to short-term leases	14,668,176	-
Expense relating to leases of low-value assets	263,760	86,400
Total cash outflow for leases	18,490,590	1,299,600

**24 Intangible assets, net**

	Consolidated financial statements				
	Computer software Baht	Patent Baht	Right to use assets Baht	Intangible assets under installation Baht	Total Baht
<b>As at 1 January 2019</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>For the year ended 31 December 2020</b>					
Opening net book amount	21,333,468	137,512	9,592,484	-	31,063,464
Additions	555,582	-	-	-	555,582
Disposals, net	(3,045)	-	-	-	(3,045)
Write-off, net	(104,492)	-	-	-	(104,492)
Amortisation charge	(3,611,975)	(21,146)	(629,656)	-	(4,262,777)
Closing net book amount	18,169,538	116,366	8,962,828	-	27,248,732
<b>As at 31 December 2020</b>					
Cost	33,262,649	187,474	12,567,324	-	46,017,447
<u>Less</u> Accumulated amortisation	(15,093,111)	(71,108)	(3,604,496)	-	(18,768,715)
Net book amount	18,169,538	116,366	8,962,828	-	27,248,732

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

	<b>Separate financial statements</b>		
	<b>Computer software Baht</b>	<b>Intangible assets under installation Baht</b>	<b>Total Baht</b>
<b>As at 1 January 2019</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
<b>For the year ended 31 December 2020</b>			
Opening net book amount	17,805,707	-	17,805,707
Additions	160,944	-	160,944
Write-off, net	(2,754)	-	(2,754)
Amortisation charge	(2,190,597)	-	(2,190,597)
Closing net book amount	15,773,300	-	15,773,300
<b>As at 31 December 2020</b>			
Cost	20,501,838	-	20,501,838
<u>Less</u> Accumulated amortisation	(4,728,538)	-	(4,728,538)
Net book amount	15,773,300	-	15,773,300

Amortisation charge for for the years ended 31 December are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Amortisation charge for intangible assets				
- Cost of sales	1,307,747	1,219,440	-	-
- Administrative expenses	2,955,030	3,325,617	2,190,597	2,008,930
	4,262,777	4,545,057	2,190,597	2,008,930

## 25 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>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
<b>Deferred tax assets</b>				
Deferred tax assets to be recovered within 12 months	6,282,590	-	-	-
Deferred tax assets to be recovered more than 12 months	95,342,289	126,612,482	-	-
	101,624,879	126,612,482	-	-
<b>Deferred tax liabilities</b>				
Deferred tax liabilities to be recovered within 12 months	(1,370,052)	-	-	-
Deferred tax liabilities to be settled more than 12 months	(2,000,176)	-	(467,216)	-
	(3,370,228)	-	(467,216)	-
Deferred income taxes, net	98,254,651	126,612,482	(467,216)	-

The gross movement in deferred income tax are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
At 1 January	126,612,482	162,602,059	-	12,326,658
Adjustment for changes in accounting policies (Note no. 6)	3,656,641	-	-	-
Beginning balance - restated	130,269,123	162,602,059	-	12,326,658
(Credited) to profit or loss	(31,674,576)	(36,602,341)	-	(12,326,658)
(Credited) charged to other comprehensive income	(339,816)	612,764	(467,216)	-
At 31 December	98,254,651	126,612,482	(467,216)	-

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

The movements in deferred tax assets and liabilities during the year are as follows:

	Consolidated financial statements							
	Depreciation	Employee	Expected	Allowance	Deferred	Impairment	Intangible	Total
	Baht	benefits	Credit Loss	for declining	revenue	of assets	assets	Baht
	Baht	obligations	Baht	in inventory	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>								
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
Adjustment from changes in accounting policies (Note no.6)	-	-	5,656,817	-	-	-	-	5,656,817
At 1 January 2020	109,468,981	8,621,269	11,965,681	2,082,969	9,457	136,561	(15,619)	132,269,299
(Credited) to profit or loss	(35,392,777)	48,972	824,041	4,199,621	-	-	15,619	(30,304,524)
(Credited) to other comprehensive income	-	(339,896)	-	-	-	-	-	(339,896)
At 31 December 2020	74,076,204	8,330,345	12,789,722	6,282,590	9,457	136,561	-	101,624,879

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 142.67 million (2019: Baht 129.38 million) in respect of losses amounting to Baht 713.36 million (2019: Baht 646.90 million) that can be carried forward against future taxable income. Losses amounting to Baht 668.67 million will expire during 2022 to 2025 (2019: Baht 646.90 million will expire during 2021 to 2024).

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

	<b>Consolidated financial statements</b>		
	<b>Remeasurement of financial asset at fair value Baht</b>	<b>Remeasurement of available-for-sale securities at fair value Baht</b>	<b>Total Baht</b>
<b>Deferred tax liabilities</b>			
As at 1 January 2019	-	15,113	15,113
(Credited) to profit or loss	-	(15,113)	(15,113)
As at 31 December 2019	-	-	-
Adjustments from changes in accounting policies (Note no. 6)	2,000,176	-	2,000,176
As at 1 January 2020	2,000,176	-	2,000,176
Charged to profit or loss	1,370,052	-	1,370,052
As at 31 December 2020	3,370,228	-	3,370,228
	<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 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	-	-	-
As at 1 January 2020	-	-	-
Charged/(credited) to profit or loss	-	-	-
As at 31 December 2020	-	-	-
	<b>Separate financial statements</b>		
	<b>Employee benefits obligations Baht</b>	<b>Remeasurement of available-for-sale securities at fair value Baht</b>	<b>Total Baht</b>
<b>Deferred tax liabilities</b>			
As at 1 January 2019	-	15,113	15,113
(Credited) to profit or loss	-	(15,113)	(15,113)
As at 31 December 2019	-	-	-
As at 1 January 2020	-	-	-
Charged to profit or loss	467,216	-	467,216
As at 31 December 2020	467,216	-	467,216

## 26 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade payables - third parties	230,263,218	83,512,953	1,549	1,549
Sugarcane payables	24,217,001	112,907,607	-	-
Other payables - third parties	196,026,882	258,362,069	1,202,464	933,970
Advance received for goods and services - third parties	139,369,914	180,833,224	-	-
Other payables - related parties	69,355	121,273	235,577	3,237,317
Accrued interest expenses - third parties	4,596,164	4,285,430	-	-
Accrued interest expenses - related parties	54,079,410	61,562,150	22,446,023	161,957,238
Accrued expenses - third parties	25,960,701	137,298,639	806,998	1,141,767
Accrued expenses - related parties	12,040	309,999	-	-
	674,594,685	839,193,344	24,692,611	167,271,841

## 27 Borrowings

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Current</b>				
Short-term borrowings from financial institutions	758,866,000	2,265,768,300	-	-
Short-term borrowing from others	349,356,430	346,111,430	580,000	-
Current portion of long-term borrowings:				
- Financial institutions	258,709,628	293,499,649	-	-
- An associate (Note no. 35 (e))	223,565,086	211,241,564	-	-
- A Subsidiary (Note no. 32 (f))	-	-	71,042,619	50,000,000
- Other	2,543,825	2,488,538	-	-
- Hire-purchase liabilities	-	7,178,183	-	2,899,368
- Lease liabilities	7,253,197	-	3,975,579	-
Total current borrowings	1,600,294,166	3,126,287,664	75,598,198	52,899,368
<b>Non-current</b>				
Long-term borrowings from financial institutions, net	1,470,109,674	485,930,938	-	-
Long-term borrowings from an associate, net (Note no. 32 (e))	2,918,132,130	3,024,413,138	-	-
Long-term borrowings from a subsidiary, net (Note no. 32 (f))	-	-	2,646,119,162	2,696,119,162
Long-term borrowings from other, net	-	2,543,825	-	-
Hire-purchase liabilities, net	-	8,666,293	-	4,709,512
Lease liabilities, net	13,508,443	-	5,379,656	-
Total non-current borrowings	4,401,750,247	3,521,554,194	2,651,498,818	2,700,828,674
<b>Total borrowings</b>	<b>6,002,044,413</b>	<b>6,647,841,858</b>	<b>2,727,097,016</b>	<b>2,753,728,042</b>

As at 31 December 2020 and 2019, all borrowings are in Thai Baht currency.

As at 31 December 2020, long-term borrowings from financial institutions were secured by pledge of property, plant and equipment at net book value of Baht 1,981.75 million (2019: Baht 1,971.13 million) (Note no. 22).

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 2020, short-term borrowings from financial institutions represent promissory notes amounting to Baht 758.87 million in the consolidated financial statements. These promissory notes bear interest at the rates between 2.00% and 4.50% per annum (2019: Baht 2,265.77 million in the consolidated, bear interest at the rates between 2.45% and 5.00% per annum).

As at 31 December 2020, short-term borrowings from Office of the Cane and Sugar Fund at Baht 345.47 million (2019: Baht 345.47 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 3.88 million (2019: Baht 0.64 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 2020, long-term borrowings from other are long-term borrowings from Office of the Cane and Sugar Fund at Baht 2.54 million (2019: Baht 5.03 million). The loan bear interest at the rate 2% per annum (2019: 2% per annum).

The movements of long-term borrowings (excluded hire-purchase liabilities and lease liabilities) for the years ended 31 December are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Opening balance	4,020,117,652	4,251,765,100	2,746,119,162	2,746,119,162
Additions	1,000,000,000	299,625,000	-	-
Repayments	(147,057,309)	(531,272,448)	(28,957,381)	-
Closing balance	4,873,060,343	4,020,117,652	2,717,161,781	2,746,119,162

The interest rates risks on the long-term borrowings (excluded hire-purchase liabilities and lease liabilities) are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Long-term borrowings				
- At fixed rates	3,144,241,040	3,239,888,565	2,717,161,781	2,746,119,162
- At floating rates	1,728,819,303	780,229,087	-	-
Total	4,873,060,343	4,020,117,652	2,717,161,781	2,746,119,162

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

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>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Short-term borrowings from financial institutions	3.10	3.44	-	-
Short-term borrowings from other	0.10	0.10	-	-
Long-term borrowings from financial institutions	4.13	4.59	-	-
Long-term borrowings from an associate	6.54	7.52	-	-
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 and lease liabilities) are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Within 1 year	484,818,539	507,229,750	71,042,619	50,000,000
Later than 1 year but not later than 5 years	2,262,308,179	1,375,041,668	300,000,000	250,000,000
Later than 5 years	2,125,933,625	2,137,846,234	2,346,119,162	2,446,119,162
	<b>4,873,060,343</b>	<b>4,020,117,652</b>	<b>2,717,161,781</b>	<b>2,746,119,162</b>

**Credit facilities**

As at 31 December 2020, the Group had financial credit limit of long-term borrowings from local financial institutions totaling Baht 2,730 million (2019: Baht 1,760.00 million) with money market interest rate, which have not been drawn down amounting to Baht 1,001.04 million (2019: Baht 979.97 million).

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.

## 28 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
VAT payable	-	-	352,613	-
Undued output VAT	664,653	5,312,384	587,993	3,878,042
Withholding tax payables	1,816,497	3,365,581	480,744	1,082,420
Provision for post-dated cheques	10,979,583	-	-	-
Others	2,065,953	1,153,470	-	-
	15,526,686	9,831,435	1,421,350	4,960,462

## 29 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Statements of financial position</b>				
<b>Current portion</b>				
Current portion of employee benefit obligations	6,680,584	8,042,319	3,036,802	3,662,990
<b>Non-current portion</b>				
Employee benefit obligations, net	59,174,444	56,742,223	19,505,050	20,145,078
	65,855,028	64,784,542	22,541,852	23,808,068
<b>Statements of comprehensive income</b>				
Employee benefit expenses	6,669,423	18,629,754	2,184,792	6,814,031
<b>Statements of other comprehensive income</b>				
Actuarial (gain) loss	(1,699,482)	4,539,661	(2,336,081)	1,475,843

The movements in the defined benefit obligations over the period are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Beginning balance	64,784,542	45,535,495	23,808,068	15,936,944
Current service costs	5,408,043	3,271,094	1,725,193	1,145,412
Interest costs	1,261,380	1,290,009	459,599	451,440
Benefits paid during the year	(3,899,455)	(3,920,368)	(1,114,927)	(418,750)
Past service costs	-	14,068,651	-	5,217,179
Actuarial (gain) loss	(1,699,482)	4,539,661	(2,336,081)	1,475,843
Ending balance	65,855,028	64,784,542	22,541,852	23,808,068

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

The principal actuarial assumptions used were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Discount rate	1.60%	1.80%	1.60%	1.80%
Future salary increases	4.24%	4.51%	4.24%	4.51%
Resignation rate by range of age	0% - 6.31%	0% - 12%	0% - 6.31%	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>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Discount rate	0.5%	0.5%	Decrease by 4.4%	Decrease by 4.5%	Increase by 4.7%	Increase by 4.9%
Salary growth rate	0.5%	0.5%	Increase by 4.6%	Increase by 4.7%	Decrease by 4.3%	Decrease by 4.4%
Turnover rate	0.5%	0.5%	Decrease by 4.7%	Decrease by 4.8%	Increase by 5.0%	Increase by 6.0%
	<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>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Discount rate	0.5%	0.5%	Decrease by 3.9%	Decrease by 4.1%	Increase by 4.2%	Increase by 4.4%
Salary growth rate	0.5%	0.5%	Increase by 4.1%	Increase by 4.2%	Decrease by 3.9%	Decrease by 4.0%
Turnover rate	0.5%	0.5%	Decrease by 4.2%	Decrease by 4.3%	Increase by 3.9%	Increase by 4.6%

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 14 years. (2019: 16 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</b>	<b>Between 1 - 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
	<b>Baht million</b>	<b>Baht million</b>	<b>Baht million</b>	<b>Baht million</b>
Retirement benefits - 2019	8.83	20.83	62.88	92.54
Retirement benefits - 2020	7.41	23.65	58.51	89.57
	<b>Separate financial statements</b>			
	<b>Less than a year</b>	<b>Between 1 - 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
	<b>Baht million</b>	<b>Baht million</b>	<b>Baht million</b>	<b>Baht million</b>
Retirement benefits - 2019	3.82	9.14	22.47	35.43
Retirement benefits - 2020	3.20	8.66	19.35	31.21

### 30 Legal reserve

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
At 1 January	56,601,140	56,601,140	56,601,140	56,601,140
Appropriation during the year	9,369,515	-	9,369,515	-
At 31 December	65,970,655	56,601,140	65,970,655	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.

### 31 Other income

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Interest income	38,711,773	59,301,016	109,252,102	147,086,517
Other services income	-	-	106,540,000	110,450,000
Reversal of loss allowance	263,000	323,132	263,000	64,152
Dividends received	307,020	204,680	134,897,404	126,720,354
Compensation income from customers for breach of sale contract	-	905,981	-	-
Compensation on sugar production and distribution	11,442,759	54,747,797	-	-
Compensation income for insurance claim	72,390,715	-	-	-
Income from sales right to sales sugar	25,000,000	-	-	-
Others	6,437,651	7,789,628	347,085	555,403
	154,552,918	123,272,234	351,299,591	384,876,426

### 32 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>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Raw materials and supplies used	2,560,328,537	3,053,942,819	1,096,797	1,587,864
Depreciation and amortisation (Note no.22, 23, 24)	323,901,432	344,217,169	7,919,557	6,368,649
Repair and maintenance expenses	178,950,142	299,015,583	514,704	541,763
Transportation expenses	84,659,062	223,401,017	-	-
Staff costs	305,913,821	424,277,428	83,556,060	110,483,941
Fees paid to the Office of the Cane and Sugar Fund	49,979,248	346,100,859	-	-

### 33 Income tax

Income tax expense for the year comprises the followings:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Current tax:				
Current tax on profits for the year	21,054,090	9,101,442	-	-
<b>Total current tax</b>	<b>21,054,090</b>	<b>9,101,442</b>	<b>-</b>	<b>-</b>
Deferred tax:				
Origination and reversal of temporary differences	3,862,104	24,389,678	-	12,341,771
<b>Total deferred tax</b>	<b>3,862,104</b>	<b>24,389,678</b>	<b>-</b>	<b>12,341,771</b>
<b>Income tax</b>	<b>24,916,194</b>	<b>33,491,120</b>	<b>-</b>	<b>12,341,771</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>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Profit (loss) before income tax	31,082,303	(478,279,709)	187,390,297	73,930,196
Tax calculated at a tax rate of 20% (2019: 20%)	6,216,461	(95,655,942)	37,478,059	(14,786,039)
Tax effect of:				
Income not subject to tax	(150,025,516)	(26,100,333)	(66,419,960)	(24,805,071)
Expenses not deductible for tax purpose	26,054,009	25,867,890	884,759	34,678,488
Tax loss for which no deferred income tax asset was recognised	142,671,240	129,379,505	28,057,142	17,254,393
<b>Total income tax</b>	<b>24,916,194</b>	<b>33,491,120</b>	<b>-</b>	<b>12,341,771</b>

### 34 Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net profit loss 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>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Share of profit (loss) for the year attributable to shareholders of the parent company (Baht)	6,137,766	(511,711,461)	187,390,297	(86,271,967)
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)	0.008	(0.630)	0.231	(0.106)

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

### 35 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 2020, Buriram Capital Co., Ltd., the parent company owns 50.59% of the Company's issued shares (2019: 50.49%).

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	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Transactions with : Associate</b>				
Dividends income	-	-	33,197,928	65,700,669
Interest expenses	214,523,366	247,346,286	-	-
<b>Transactions with : Subsidiaries</b>				
Dividends income	-	-	101,699,475	61,019,685
Interest income	-	-	108,736,485	146,477,920
Other income	-	-	106,583,780	110,450,000
Interest expenses	-	-	179,824,909	179,870,805
Administrative expenses	-	-	1,361,000	1,982,920
<b>Transactions with : Other related parties</b>				
Revenues from sales and services	2,038,796,151	3,089,544,673	-	-
Other income	2,158,037	742,676	-	-
Cost of sales and services	2,506,701	12,946,815	-	-
Selling expenses	4,139,197	7,790,610	-	-
Administrative expenses	27,419,187	-	-	-

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

As at 31 December	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Trade accounts receivables, net :</b>				
Related parties	394,969	197,874,924	-	-
<u>Less</u> Loss allowance (2019: Allowance for doubtful accounts under TAS 101)	(32,507)	-	-	-
	362,462	197,874,924	-	-
<b>Other receivables, accrued interest income and accrued income :</b>				
Subsidiaries	-	-	22,087,395	116,568,672
Related parties	5,121,868	462,900	-	-
	5,121,868	462,900	22,087,395	116,568,672
<b>Farmer receivables, net :</b>				
Related parties	5,347,618	3,561,157	-	-
<b>Non-current farmer receivables, net:</b>				
Related parties	6,498,092	-	-	-
<b>Other payables, accrued interest expenses and accrued expenses :</b>				
Subsidiaries	-	-	22,618,479	165,168,221
Associate	54,079,410	61,562,150	-	-
Related parties	81,395	431,272	63,121	26,334
	54,160,805	61,993,422	22,681,600	165,194,555

**c) Long-term borrowings to subsidiaries**

The movements of long-term borrowings to subsidiaries are as follows:

	Separate financial statements	
	2020 Baht	2019 Baht
Opening balance	2,300,723,764	2,365,786,767
Additions	719,511,963	1,279,607,700
Repayments received	(2,300,628,775)	(1,222,124,798)
	719,606,952	2,423,269,669
Allowance for decrease in value of borrowings (reversal)	122,545,905	(122,545,905)
Closing balance	842,152,857	2,300,723,764

The reconciliations of loss allowance for long-term borrowings to subsidiaries for the year ended 31 December 2020 are as follow:

	Separate Financial statements
	2020 Baht
<b>1 January - calculated under TAS 101</b>	122,545,905
Amounts restated through opening retained earnings	-
Opening loss allowance as at 1 January 2020 - calculated under TFRS 9 (2019: TAS 101)	122,545,905
Increase in loss allowance recognised in profit or loss during the year	-
Unused amount reversed	(122,545,905)
<b>As of 31 December - calculated under TFRS 9 (2019: TAS 101)</b>	-

As at 31 December 2020, long-term borrowings to subsidiaries bear interest at the rate 4.13% - 6.55% per annum (2019: 5.78% - 6.55% per annum).

During the year ended 31 December 2020, allowance for decrease in value of long-term borrowings to subsidiaries in separate financial statements have been reversed amounting to Baht 122.55 million since the Company fully received the repayment of the borrowings from subsidiaries.

#### Fair values of long-term borrowings to subsidiaries

The long-term borrowings to subsidiaries with floating interest rates, the fair values approximate their carrying amounts.

#### 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>2020 Baht</b>	<b>2019 Baht</b>
Opening balance	12,447,820	22,881,820
Additions	-	-
Repayment received	(10,947,820)	(10,434,000)
Closing balance	1,500,000	12,447,820

As at 31 December 2020, long-term borrowings to farmer receivables bear interest at the rate 6.63% per annum (2019: 7.02% per annum).

#### e) Long-term borrowings from an associate

The movements of long-term borrowings from an associate are as follows:

	<b>Consolidated financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>
Opening balance	3,235,654,702	3,379,836,558
Additions	-	-
Repayments	(93,957,486)	(144,181,856)
Closing balance	3,141,697,216	3,235,654,702

As at 31 December 2020, long-term borrowings from an associate bear interest at the rates between 5.87% and 7.21% per annum. (2019: 7.10% and 7.70% per annum).

#### f) Long-term borrowings from a subsidiary

The movements of long-term borrowings from a subsidiary are as follows:

	<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>
Opening balance	2,746,119,162	2,746,119,162
Additions	-	-
Repayments	(28,957,381)	-
Closing balance	2,717,161,781	2,746,119,162

As at 31 December 2020 and 2019, long-term borrowings from a subsidiary bear interest at the rate 6.55% per annum.

**g) Directors' and management's remuneration**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Short-term benefits	33,098,884	44,240,041	16,233,820	21,050,805
Post-retirement benefits	1,175,265	1,395,244	595,364	667,084
	<b>34,274,149</b>	<b>45,635,285</b>	<b>16,829,184</b>	<b>21,717,889</b>

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

**h) Foreign currency forward contracts**

As at 31 December 2020, 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 4.50 million (2019: USD 6.94 million).

As at 31 December, the net fair values of foreign currency forward contracts were as follows:

	<b>Consolidated financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>
<b>Financial assets</b>		
<b>Contracts with positive fair values:</b>		
Foreign currency forward contracts	6,850,262	814,636

**36 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 6 - 8 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
62-0714-1-00-1-0	25,26,28,31,34,35	4 July 2019	Producing product from by-product or agricultural residues type 1.15	11 March 2020	11 March 2026

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.

### 37 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>2020 Baht</b>	<b>2019 Baht</b>
Property, plant and equipment	22,622,962	18,589,322
	22,622,962	18,589,322

#### (b) Operating commitments

The non-cancellable services agreements with external parties. The future minimum payments are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Within 1 year	8,009,128	10,805,308	86,400	1,597,200
Later than 1 year but not later than 5 years	9,687,561	8,526,400	90,000	176,400
	17,696,689	19,331,708	176,400	1,773,600

#### (c) Sale commitments

As at 31 December 2020, a subsidiary had commitments relating to the sales agreements, but not yet delivered quality unit of metric tons 96,590 (2019: metric tons 194,400) with price range between at rate of Baht 7,562 and Baht 13,377 per metric ton (2019: price range between at rate of Baht 8,554 and Baht 13,190 per metric ton) and still has no pricing for quality unit of metric tons 54,000 (2019: metric tons 160,750) 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:

	<b>Consolidated financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>
Post-dated cheques		
- Within 1 year	536,894,565	519,607,045
- Later than 1 year but not later than 5 years	89,075,822	74,831,268
	625,970,387	594,438,313

#### (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 2020 and 2019, 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.

**(g) Significant litigation**

In May 2020, a consumer case was filed against the Company for changes in share value amounting to Baht 136.34 million. The claim was submitted in civil court against the Company and other parties, with the Company as the first defendant. The plaintiffs alleged that they, as shareholders of the first defendant, suffered as a result of the share value changes. As at 31 December 2020, the case has been in the Appeal Court's consideration for whether it is a consumer case or not, and court judgement will be held on 1 March 2021. The Group's management believes that the Company has strong evidence in its defence and considers that these issues will not have an adverse material impact on the interim financial information.

**38 Event occurring after the reporting period**

**Dividends**

At the Company's Board of Directors' meeting No.1/2564 held on 23 February 2021, it approved a dividend payment for the operating result of 2020 for 812,099,845 ordinary shares at Baht 0.06 per share, totalling amounting to Baht 48,725,991. However, the approval for the dividend payment shall be proposed to the Annual Shareholders' Meeting for the year 2021 for further consideration and approval. The dividends will be paid on 28 May 2021.



# Management Discussion and Analysis

## 14.1 Overview of the Operation Result

During 2020, the changes of operation result are detailed as below:

The amount of sugarcane plantation area and the number of contract farming are similar to the previous year due to the policy of the Company and Subsidiaries that focuses on supporting the sugarcane farmers in the surrounding area of the sugar factory, in order to achieve high amount of crop yield per Rai with good quality. Also, there is development of the management system for stability of production and profit of the farmers, and in order that the Company can produce more sugar accordingly. However, the amount of sugarcane has decreased from the previous year due to drought weather, and caused the amount of cropped sugarcane in the support plantation area could not reach the target as planned, and caused the amount of sugarcane to be lower than the previous year.

In term of the operation result in 2018 and 2019, the Company earned profits in amount of 271.67 Million Baht, and loss in amount of 511.77 Million Baht respectively. In 2020, the profit in amount of 6.17 Million Baht is the result from the volume and price of sugar. Since, the Company's main revenue is from sugar sales approximately 70 percent of the total revenue; hence, the Company was affected by the decreased amount of sugarcane due to drought weather, and caused the volume of sugar sales to be lower than 2019 in amount of 106,666 tons. However, due to the increased selling price for both domestic and international market from the previous year which is 28 percent higher than the previous year; domestic market was 13 percent higher than the previous year, and the sugar price in international market is at 16-17 cents/pound. Thus, it did not have great impact on the sugar sales revenue of the previous year. The Company earns revenue from selling the bagasse packaging that was launched at the beginning of the year, but the sales revenue did not reach the target due to the pandemic of COVID-19, and caused the significant impact on goods sales because of unable to export the goods as per the sale plan, including the sales of electricity and fertilizer have decreased from the previous year. Therefore, the overview of revenues has decreased 1,092.55 Million Baht from the previous year (2019's revenue is 4985.16 Million Baht and 2020's revenue is 3,892.61 Million Baht). Also, there is the impact from Thai Baht appreciation; but, according to the Company's Budget Control Policy in respect of Cost and Expenses Management, the Company has earned net profits higher than the previous year at 5.71 percent (Initial profits of 2019 is 10.35 percent and 2020 is 16.06 percent). According to the factors mentioned above, the Company has earned net profits in 2020 in amount of 6.17 Million Baht.

The total assets of year ended on 31<sup>st</sup> December, 2018, 2019 and 2020 are equivalent to 10,276.23 Million Baht, 9429.25 Million Baht and 8,663.23 Million Baht respectively. The decrease of total assets in 2020 was due to receiving the loan of joint venture activities, and the Company has changed some parts of the loan policy for farmers; changing from giving the loan by the Company to taking the loan from the financial institution with a subsidiary as a guarantor. Thus, it allows sugarcane farmer account receivables to be considerably low.

The total liabilities of year ended on 31<sup>st</sup> December, 2018, 2019 and 2020 are equivalent to 7,775.72 Million Baht, 7,566.32 Million Baht and 6,807.40 Million Baht respectively. The decrease of total liabilities was mostly derived from converting debts into capital of the Company, and settling the debts of short-term loans from financial institutions.

The total shareholders' equity of year ended on 31<sup>st</sup> December, 2018, 2019 and 2020 are equivalent to 2,500.51 Million Baht, 1,862.93 Million Baht and 1,855.83 Million Baht respectively. In 2020, the total shareholders' equity was decreased because; in the current year, the unrealized retained earnings have decreased.

According to the year of 2020, Thai Financial Reporting Standards 9 or TFRS9 has been effective since 1<sup>st</sup> of January 2020; such financial reporting standards have significant impact to the farmer debtors in regards of Allowance for Doubtful Accounts.

## 14.2 The Analysis of Operation Results

### A. Revenue

	Audited Financial Statement of Year Ended					
	2018		2019		2020	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
<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>						
<b>Domestic Sales</b>						
Brown Sugar	658.77	11.27	563.69	13.97	771.31	19.12
Refined Sugar			195.91	4.86	78.30	1.94
Raw Sugar			259.41	6.43	393.85	9.76
<b>Total Revenue from Sugar Domestic Sales</b>	<b>658.77</b>	<b>11.27</b>	<b>1019.01</b>	<b>25.26</b>	<b>1,243.46</b>	<b>30.83</b>
<b>Export Sales</b>						
Brown Sugar	-	-	20.34	0.50	-	-
Raw Sugar	3207.49	54.88	2,358.00	58.46	1,340.57	33.23
Refined Sugar			188.63	4.68	217.81	5.40
<b>Total Revenue from Sugar Export Sales</b>	<b>3207.49</b>	<b>54.88</b>	<b>2,566.97</b>	<b>63.64</b>	<b>1,558.38</b>	<b>38.63</b>
<b>Total Revenue from Sugar Sales</b>	<b>3,866.26</b>	<b>66.15</b>	<b>3,585.98</b>	<b>88.90</b>	<b>2,801.84</b>	<b>69.46</b>
<b>1.1.2 Molasses</b>						
Domestic Sales	499.28	8.54	403	9.99	247.06	6.12
<b>Total Revenue from Molasses Sales</b>	<b>499.28</b>	<b>8.54</b>	<b>403</b>	<b>9.99</b>	<b>247.06</b>	<b>6.12</b>
<b>Total Revenue from Sugar and Molasses Sales</b>	<b>4,365.54</b>	<b>74.69</b>	<b>3,988.98</b>	<b>98.89</b>	<b>3,048.90</b>	<b>75.59</b>
1.2.1 Revenue from Electricity Sales	556.57	9.52	478.58	11.86	362.86	9.00
1.2.2 Revenue from Fertilizer Sales	370.71	6.34	375.47	9.31	317.35	7.87
1.2.3 Revenue from Other Goods Sold and Services Rendered	263.15	4.50	143.83	3.57	140.10	3.47
1.2.4 Revenue from Bagasse Packaging Domestic Sales					20.10	0.50
1.2.5 Revenue from Bagasse Packaging Export Sales					3.18	0.08
<b>Total Revenue from Other Related Businesses</b>	<b>1,190.43</b>	<b>20.37</b>	<b>997.88</b>	<b>24.74</b>	<b>843.59</b>	<b>20.91</b>
<b>Total Revenue from Goods Sold and Services Rendered</b>	<b>5,555.97</b>	<b>95.06</b>	<b>4,986.86</b>	<b>123.63</b>	<b>3,892.50</b>	<b>96.50</b>
<b>2. Other Revenues</b>	<b>253.05</b>	<b>4.33</b>	<b>123.27</b>	<b>3.06</b>	<b>154.55</b>	<b>3.83</b>
<b>3. Profit/Loss from Exchange Rate</b>	<b>35.79</b>	<b>0.61</b>	<b>8</b>	<b>0.20</b>	<b>- 13.33</b>	<b>- 0.33</b>
<b>Total</b>	<b>5,844.81</b>	<b>100</b>	<b>5,118.13</b>	<b>126.88</b>	<b>4,033.73</b>	<b>100</b>

### The Revenue from Sugar Sales and Service

According to the fiscal year ended from 31<sup>st</sup> December 2018 to 31<sup>st</sup> December 2020, the company generated the revenue from sugar sales and service in amount of 5,555.97 Million Baht, 4,985.16 Million Baht and 3,892.61 Million Baht respectively. In 2020, the revenue from sugar sales and services was decreased 1,092.55 Million Baht or equivalent to 21.92% due to the decreased volume of produced sugar as per the decreased quantity of sugarcanes. In addition, the revenue from electricity sales and fertilizers sales were decreased due to the amount of biofuel and the supporting plans. The revenue from bagasse packaging sales that was launched at the beginning of the year did not reach the goal due to the impact from pandemic of COVID-19, and caused the significant impact on goods sales because of unable to export the goods as per the sale plan, and the impact from appreciation of Thai Baht currency.

## 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 76% of total revenue

The Tables of Average Price and Quantity of Sugar and Molasses Distributed by the Company

	Audited Financial Statement of Year Ended		
	2018	2019	2020
Average price per ton	Baht per Ton	Baht per Ton	Baht per Ton
Brown Sugar for Domestic Sales	17,146	14,296	18,362
Refined Sugar for Domestic Sales		14,439	17,454
Raw Sugar for Domestic Sales		8,646	9,425
Brown Sugar for Export Sales		8,646	
Refined Sugar for Export Sales		10,077	11,394
Raw Sugar for Export Sales	10,604	9,481	10,586
Molasses	3,751	2,962	3,732
Sale Quantity	31-Dec-18	31-Dec-19	31-Dec-20
	Kilotons	Kilotons	Kilotons
Brown Sugar for Domestic Sales	38.42	39.43	42.06
Refined Sugar for Domestic Sales		13.57	4.49
Raw Sugar for Domestic Sales		30.00	41.79
Brown Sugar for Export Sales	-	2.15	
Refined Sugar for Export Sales		18.72	19.12
Raw Sugar for Export Sales	302.47	248.79	138.54
Molasses	133.12	135.95	66.21

### 1.1.1 Revenue from Sugar Sales

According to the year ended on 31<sup>st</sup> December 2020, the revenue from sugar sales was decreased from 2019 equal to 784.17 Million Baht or equivalent to 21.87 percent due to the decreased volume of sugar sales for 106,666 tons. However, according to the increased selling price for both domestic and export sales in the previous year which are 28 percent higher for the domestic sales and 13 percent higher for the export sales. Thus, it did not have great impact on the sugar sales revenue of the previous year, and the impact of Thai Baht's appreciation.

### 1.1.2 Revenue from Molasses Sales

According to the year ended on 31<sup>st</sup> December 2020, the Company generated revenue from molasses sales at 247.06 Million Baht, decreased from the same period in 2019 equivalent to 155.94 Million Baht or 38.69 percent; due to the volume of sales was decreased as per decreased amount of sugar production although the selling price per unit has increased to 770 Thai Baht per ton.

## 1.2 Revenue from Other Related Businesses

### 1.2.1 Revenue from Electricity Sales

The revenue from electricity sales was generated as per the increase and decrease of electricity sales volume. As of which, in 2018, 2019 and 2020, the Company's electricity sales quantity was 122 Million Kilowatts, 105 Million Kilowatts, and 102 Million Kilowatts respectively. The electricity selling price in each year barely changed, and did not affect the increase or decrease of revenue.

### 1.2.2 Revenue from Fertilizer Sales

The Company generated revenues from fertilizer sales as part of farmers support, in order that the farmers can plant the sugarcane to sell the Company, and to prevent the risk from raw material insufficiency.

In 2018, 2019, and 2020, the Company earned revenues from fertilizer sales for 370.71 Million Baht, 375.47 Million Baht, and 317.35 Million Baht respectively. The revenue has increased continuously due to the farmer support program; that aims to increase the sugarcane production according to the Company's demands. Nonetheless, in 2020, the sales volume has decreased due to the drought weather that affects the plantation.

### 1.2.3 Revenue from Other Goods and Services

The revenue from other goods and services are derived mainly from selling byproducts of sugarcane plantation such as molasses; and, selling the plantation supporting materials such as diesel fuel to operate the agricultural machinery, and herbicide, and the revenue from sugarcane cutting service.

### 1.3 Other Revenues

According to the year ended on 31<sup>st</sup> December, 2018, 2019 and 2020, other revenues of the Company are equivalent to 235.05 Million Baht, 123.27 Million Baht, and 154.55 Million Baht respectively. Other revenues are derived mainly from selling the rights of sugar sales, profits from assets sales, receiving bad debts, and receivable interests

## B. Cost of Goods Sold and Services

### 1. Production and Distribution of Sugar and Molasses

	Audited Financial Statement of Year Ended					
	31 Dec 2018		31 Dec 2019		31 Dec 2020	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Raw Material (Sugarcane) Cost	2,421.77	63.80	2,278.92	61.66	1,543.66	66.15
Packaging Cost	44.62	1.18	32.89	0.89	28.66	1.23
Direct Labour Cost	169.91	4.48	138.14	3.74	84.82	3.63
Production Cost	932.96	24.58	916.82	24.80	644.37	27.61
Office of the Cane and Sugar Fund	226.84	5.98	329.37	8.91	32.03	1.37
<b>Total Cost of Production and Distribution of Sugar and Molasses</b>	<b>3,796.10</b>	<b>100</b>	<b>3,696.14</b>	<b>100</b>	<b>2,333.54</b>	<b>100.00</b>

	Audited Financial Statement of Year Ended					
	31 Dec 2018		31 Dec 2018		31 Dec 2018	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Raw Material (Sugarcane) Cost	2,421.77	63.80	2,278.92	61.66	1,543.66	66.15
Packaging Cost	44.62	1.18	32.89	0.89	28.66	1.23
Direct Labour Cost	169.91	4.48	138.14	3.74	84.82	3.63
Production Cost	932.96	24.58	916.82	24.80	644.37	27.61
Office of the Cane and Sugar Fund	226.84	5.98	329.37	8.91	32.03	1.37
<b>Total Cost of Production and Distribution of Sugar and Molasses</b>	<b>3,796.10</b>	<b>100.00</b>	<b>3,696.14</b>	<b>100.00</b>	<b>2,333.54</b>	<b>100.00</b>

The cost of raw materials for the year of 2018, 2019, and 2020, are equivalent to 63.80%, 61.66%, and 66.15% respectively. In 2020, the cost of raw material – sugarcane has greatly increased due to the increased price in the global market.

## 2. Other Related Businesses

The cost of other related businesses are derived mainly from the cost of electricity production and distribution, fertilizer production and distribution, and other kind of distribution costs.

The major cost of electricity production and distribution are; molasses, building depreciation, and the machinery used for generating electricity.

The cost of fertilizer production and distribution business consists of 2 parts which are chemical fertilizer and organic fertilizer that is purchased and the organic fertilizer that is own-produced. The costs of own-produced organic fertilizer are derived from filter cake, building depreciation, and the machinery including the chemical plant nutrients that is mixed in order to improve the quality of fertilizer.

The costs of other distributions are mainly derived from agricultural materials such as; herbicide and sugarcane seeds that were purchased to support the farmers including diesel fuel that the farmers need for operating the agricultural machinery.

	Audited Financial Statement of Year Ended					
	31 Dec 2018		31 Dec 2018		31 Dec 2018	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Cost of Electricity Sales</b>						
Raw material	226.25	40.15	287.90	54.43	154.43	29.20
Direct Labor Cost	36.83	6.54	30.88	5.84	27.78	5.25
Manufacturing Overhead	300.40	53.31	369.13	69.79	346.68	65.55
<b>Total Cost of Electricity Sales</b>	<b>563.48</b>	<b>100.00</b>	<b>687.91</b>	<b>100.00</b>	<b>528.89</b>	<b>100.00</b>
<b>Cost of Fertilizer Sales</b>						
Raw material	257.09	85.48	200.34	80.52	216.17	86.89
Direct Labor Cost	10.41	3.46	7.67	3.08	7.36	2.96
Manufacturing Overhead	33.26	11.06	27.12	10.90	25.26	10.15
Trading Goods	0.00	0.00	235.14	100.00		100.00
Other Costs						
<b>Total of Cost Fertilizer Sales</b>	<b>300.76</b>	<b>100.00</b>	<b>398.06</b>	<b>160.00</b>	<b>248.79</b>	<b>100.00</b>
<b>Cost of Other Expenses</b>			3.96	0.99		
Trading Goods	390.92	98.84	402.02	100.00	330.65	100.00
Other Costs	4.57	1.16			4.07	1.03
<b>Total Cost of Other Expenses</b>	<b>395.49</b>	<b>100.00</b>	<b>402.02</b>	<b>101.65</b>	<b>334.72</b>	<b>84.64</b>

## C. Gross Profit

The gross profit in year ended of 2018 was equivalent to 1,047.10 Million Baht or 18.84% of gross profit margin, and it was decreased due to the fall of sugar price in the global market in 2018.

The gross profit in year ended of 2019 was equivalent to 515.95 Million Baht or 10.35% of gross profit margin, and it was decreased due to the fall of sugar price in the global market. Also, the Company has launched Sugar Refinery Operation System for the first time, and it still unable to produce its full capacity; hence, there is high expenditure for depreciation.

The gross profit in year ended of 2020 was equivalent to 625.02 Million Baht or 16.06% of gross profit margin, and it was increased due to the rise of sugar price. In addition, the Company has implemented the Cost and Expenses Control Policy including the effective cost management plan.

#### 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	7.59	1.17	9.13
Electricity Production and Distribution	42.09	23.18	19.36
Fertilizer Production and Distribution	12.79	11.18	16.72
Other Sales and Services	13.68	6.51	(25.48)

#### 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 will fluctuate based on “70:30 Profit Sharing System”; it means that if the sugar price is increased, the sugarcane cost will increase as well. Meanwhile, if the sugar price is decreased, the sugarcane cost will also decrease. However, the cost of milling process is not changed by the changes of sugar price in the global market. Therefore, if sugar price in the global market is increased, the gross profit margin of sugar business will be increased. In contrary, if sugar price in the global market is dropped, the gross profit margin of sugar business will be decreased accordingly.

According to the “70: 30 Profit Sharing System”, the average sugar price of Quota B will be used as the variable to determine the price of raw materials; by calculating the average sugar price of Quota B from the total revenue of export sugar sales in Thailand. Then, it will be deducted by the expense of milling processes and share the remaining balance to sugarcane farmers by 70% and sugar manufacturing factory by 30%. Moreover, 70% of the farmers will be used as the minimum price of the raw material that will establish the equal price of raw material per unit for entire industry. However, since, approximately 85% of export sugar is Quota C and 15% of export sugar is Quota B; hence, if any sugar distributor can sell Quota C at higher price than the average price of Quota B, will increase the gross profit margin. Nevertheless, the sale price difference of Quota B and C are not consistent, and it will depend on circumstances and the decisions of distributors on sugar sales.

Since, the sugar production volume per ton is inconsistent every year depending on the quality of raw materials, but the cost of other processes does not change as per the quality of raw materials. Therefore, if the company can increase the sugar production per ton, the revenue and gross profit margin will be increased accordingly.

#### 2. Other Related Business

The gross profit margin for the business of fertilizer production and distribution are constantly changing because; the business operation is inclusive of producing the organic fertilizer for distribution, and purchasing chemical fertilizer for distribution. The own-produced organic fertilizer selling price is determined by Cost Plus Method; and, the purchased chemical fertilizer distribution requires purchasing the chemical fertilizer in large quantity each time, and distribute to the farmers with the price determined by the market price at the moment. Thus, at some periods, the Company might have to sell the chemical fertilizer at the price lower than cost, and it makes the gross profit margin of the business of fertilizer production and distribution to be uncertain. However, the business of fertilizer production and distribution is operated by the

purpose of supporting the farmers in order to increase and improve the production quantity and quality. Then, the business of sugar and molasses production and distribution will have the improved production with better quality and also improve the power plant business accordingly.

#### D. Selling Expenses

	Audited Financial Statement of Year Ended					
	31 Dec 2018		31 Dec 2019		31 Dec 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Transportation Logistics	87.00	27.04	11.26	8.86	2.74	2.15
Export Costs	171.33	53.25	212.14	166.86	81.92	64.43
Cargo Storage	37.87	11.77	44.58	35.06	9.74	7.66
Other Expenses	25.53	7.94	36.21	28.48	32.74	25.75
<b>รวม</b>	<b>321.73</b>	<b>100.00</b>	<b>304.19</b>	<b>100.00</b>	<b>127.14</b>	<b>100.00</b>

The selling expenses are mainly from transportation and exports. The factor that affects the logistics transportation expense is average transportation per trip, and sugar sale volume each year. According to the year 2018, 2019 and 2020, the volume of exported sugar was equivalent to 302.47 Thousand tons, 269.66 Thousand tons and 157.66 Thousand tons respectively.

#### E. Administrative Expenses

	Audited Financial Statement of Year Ended					
	31 Dec 2018		31 Dec 2019		31 Dec 2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Employee Compensation	181.62	46.95	176.71	0.68	147.91	0.57
Professional and Consultancy Fee	32.55	8.41	39.93	0.15	36.47	0.14
Transportation	18.62	4.81	4.15	0.02	1.32	0.01
Maintenance	7.52	1.95	5.65	0.02	4.52	0.02
Office Supplies Expense	8.79	2.27	7.25	0.03	4.37	0.02
Asset Depreciation	23.92	6.18	26.01	0.10	29.38	0.11
Research and Development	2.92	0.75	0.17	0.00	1.31	0.01
Charity Support and Donation	8.29	2.14	7.54	0.03	4.09	0.02
Allowance for Doubtful Accounts	(4.57)	(1.18)	4.88	0.02		
Allowance for Impairment Losses	11.17	2.89	98.42	0.38		
Pension Fund	5.13	1.33	19.56	0.08	6.67	0.03
Sugar and Cane Support Fee			5.65	0.02	1.31	0.01
Amortization	3.30	0.85	3.33	0.01	3.21	0.01
Electricity	2.64	0.68	4.70	0.02	6.39	0.02
Others	84.94	21.96	97.41	0.37	13.05	0.05
<b>Total Administrative Expenses</b>	<b>386.85</b>	<b>100.00</b>	<b>501.37</b>	<b>100.00</b>	<b>260.01</b>	<b>100.00</b>

The administrative expenses are mainly derived from salary, wages, and employee compensations or consultancy fees.

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 delay of new sugar factory construction.

In 2020, the administrative expenses have decreased from 2019 equivalent to 241.36 Million Baht or 48.14%. Since, in 2020, the Company's land price has been estimated, and caused the asset value to increase; and there is reversing entries for the existed loss of impairment, and also received the debt payment from the debtors who were listed in Allowance for Doubtful Accounts. Hence, when the debts have been settled, the reversing entries is required for Allowance for Doubtful Accounts, and resulted in removing the acknowledged Allowance for Doubtful Accounts. Moreover, the Company has implemented the policy of budget control, and caused the administrative expenses in 2020 to decrease accordingly.

#### **Financial Cost**

According to the financial statement's year ended on 31 December 2018, 2019 and 2020, the financial cost was equivalent to 385.99 Million Baht, 384.00 Million Baht and 331.35 Million Baht respectively. The decrease of financial cost was due to the Company settled more short-time loans.

#### **F. Earnings Before Taxes**

According to the financial statement's year ended on 31 December 2018 and 2019, the earnings before taxes were equivalent to 311.88 Million Baht and loss equivalent to 478.28 Million Baht; and in 2020, the earnings before taxes are equivalent to 31.08 Million Baht. The increase or decrease of earnings before taxes each year was due to the increase or decrease of gross profit in each year.

#### **G. Corporate Income Tax**

In 2018, the Company has corporate income tax equivalent to 40.21 Million Baht, it was decreased from the same period of the previous year because of earning less profit from the sugar business which resulted in paying less tax.

In 2019, the Company has corporate income tax equivalent to 33.49 Million Baht, it was decreased from the same period of the previous year because of loss from the Company's main business, and resulted in paying no tax.

In 2020, the Company has corporate income tax equivalent to 24.92 Million Baht, it was decreased from the same period of the previous year because of loss from the Company's main business, and resulted in paying no tax.

#### **H. Net Profit**

According to the financial statement's year ended on 31 December 2018 and 2019, the Company's net profit was equivalent to 217.67 Million Baht and the net loss was equivalent to 511.77 Million Baht respectively; and in 2020, the net profit was equivalent to 6.17 Million Baht. In 2019, the global sugar market price was continuously decreased averagely 13-14 cents per pound. Also, the Company's volume of sugar sales was less than the previous year, and affected by the appreciation of the Thai Baht. In addition, there is also impact in respect of the costs and expenses from operating the Sugar Refinery Operation System for the first time. In 2020, the sugar price in global market has increased continuously at 16-17 cents per pound, reversing entries the land impairment of the subsidiaries, and resulted in earning the profits for the Company in 2020.

### **14.3 Financial Position Analysis**

#### **A. Assets**

Since, the operation of sugar business is quite different from other businesses in general, and it relies on the planting and harvesting season of sugarcanes which start planting in October and harvesting in November of the next year until April in the following years. 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 sugarcane 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 2018, 2019 and 2020 were equivalent to 10,276.23 Million Baht, 9,429.25 Million Baht and 8,663.23 Million Baht respectively.

The decreased of total assets in 2018, 2019, and 2020, are due to the decreased of production, and the Company has changed some parts of the loan policy for farmers; changing from giving the loan by the Company to taking the loan from the financial institution with a subsidiary as a guarantor. Thus, it allows sugarcane farmer account receivables to be considerably low including the reduced of depreciation used in the business.

#### **1. Current Assets**

The current assets of the Company as of year ended on 31 December 2018, 2019 and 2020 were equivalent to 2,970.52 Million Baht, 2,070.13 Million Baht and 1,491.41 respectively. The main current assets are sugarcane farmer account receivables and inventory. In the year 2019, the Company the Company has changed some parts of the loan policy for farmers; changing from giving the loan by the Company to taking the loan from the financial institution with a subsidiary as a guarantor. Thus, it allows sugarcane farmer account receivables to be considerably low. Also, in 2020, the receivable accounts have decreased because the Company has settled more trade receivables consolidation on time.

##### Account Receivables

The account receivables of the Company are mainly derived from the business of sugar manufacture and distribution and other related businesses such as the electricity sales. The customers of the Company are mostly the major international distributors and state enterprises that have excellent financial position, and the company always audits the changes of their financial position in order to prevent the problems from bad debts.

Average debts collection period of the company for the year ended from 2018 to 2020 was 6 to 24 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. Since, the average debts 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)

In term of operating the business of sugar manufacture and distribution, the company provides the advance credits for sugarcane farmers in order to support sugarcane farming. For the year ended on 31 December 2018, 2019 and 2020, the sugarcane farmer receivables-net were equivalent to 597.90 Million Baht, 207.07 Million Baht and 361.23 Million Baht respectively. The decreased of sugarcane farmer receivables in 2019; the Company to taking the loan from the financial institution with a subsidiary as a guarantor. Thus, it allows sugarcane farmer account receivables to be considerably low. Also, it was due to the increase of sugarcane plantation area, and the advance credits for sugarcane farmers that increase the sugarcane farmer account receivables accordingly.

**Sugarcane Farmer Receivables of the Company Classified by the Aged Overdue Receivables**

	Audited Financial Statement of Year Ended					
	31 Dec 2018		31 Dec 2019		31 Dec 2020	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Production Season of 2021/2022					262.35	57.70
Production Season of 2020/2021			42.31	9.31	67.00	14.74
Production Season of 2019/2020	87.09	12.77	102.92	22.64	5.97	1.31
Production Season of 2018/2019	467.77	68.60	30.30	6.66	5.48	1.21
Production Season of 2017/2018	12.35	1.81	12.60	2.77	9.24	2.03
Production Season of 2016/2017	12.90	1.89	12.80	2.82	10.70	2.35
Production Season of 2015/2016	15.70	2.30	14.47	3.18	14.18	3.12
Production Season of 2014/2015	11.82	1.73	9.97	2.19	10.19	2.24
Before Production Season of 2014/2015	74.29	10.89	70.85	15.58	69.57	15.30
	Audited Financial Statement of Year Ended					
	31 Dec 2018		31 Dec 2019		31 Dec 2020	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
<b>Total Sugarcane Farmer Receivables</b>	<b>681.92</b>	<b>100.00</b>	<b>296.22</b>	<b>65.15</b>	<b>454.69</b>	<b>100.00</b>
<b>Allowance for Doubtful Accounts</b>	<b>(84.02)</b>	<b>(12.32)</b>	<b>(89.15)</b>	<b>(19.61)</b>	<b>(93.46)</b>	<b>(20.55)</b>
<b>Net Total Sugarcane Farmer Receivables</b>	<b>597.90</b>	<b>87.68</b>	<b>207.07</b>	<b>45.54</b>	<b>361.23</b>	<b>79.45</b>

The company has the strict policies for providing advance credit to farmers by considering many factors from the experience of debts collection of the Company in the past such as; the ability to repay, the planting areas, crop yield per Rai including the field survey by the employees of the company to ensure that 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 accordingly. 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 8 years or the farmers quitted planting or any other relevant matters shown the inability to repay.

**Inventory**

	Audited Financial Statement of Year Ended					
	31 Dec 2018		31 Dec 2019		31 Dec 2020	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Finished Goods	1,216.83	89.77	763.72	82.80	376.06	62.69
By-Products						
Trading Goods	36.82	2.72	48.29	5.24	38.41	6.40
Inventory - Warehouse	36.76	2.71	32.15	3.49	45.91	7.65
Goods in Progress	14.11	1.04	27.74	3.01	94.50	15.75
Factory Supplies	50.44	3.72	50.74	5.50	44.98	7.50
Products in transit	0.58	0.04				

Total Inventory	1,355.54	100.00	922.37	100.00	599.86	100.00
Allowance for Diminution in Value	(18.04)	(1.33)	(10.41)	(1.13)	(31.41)	(5.24)
<b>Net Total Inventory</b>	<b>1,337.50</b>	<b>98.67</b>	<b>911.96</b>	<b>98.87</b>	<b>568.45</b>	<b>94.76</b>

	Audited Financial Statement of Year Ended					
	31 Dec 2018		31 Dec 2019		31 Dec 2020	
	Million Baht	(%)	Million Baht	(%)	Million Baht	(%)
Finished Goods	1,216.83	89.77	763.72	82.80	376.06	62.69
By-Products						
Trading Goods	36.82	2.72	48.29	5.24	38.41	6.40
Inventory - Warehouse	36.76	2.71	32.15	3.49	45.91	7.65
Goods in Progress	14.11	1.04	27.74	3.01	94.50	15.75
Factory Supplies	50.44	3.72	50.74	5.50	44.98	7.50
Products in transit	0.58	0.04				
Total Inventory	1,355.54	100.00	922.37	100.00	599.86	100.00
Allowance for Diminution in Value	(18.04)	(1.33)	(10.41)	(1.13)	(31.41)	(5.24)
<b>Net Total Inventory</b>	<b>1,337.50</b>	<b>98.67</b>	<b>911.96</b>	<b>98.87</b>	<b>568.45</b>	<b>94.76</b>

The finished goods primarily consist of sugar and some of residues from sugarcane plantation and sugar production which are molasses, bagasse and filter cake. The company will sell and store these finished goods as the fuel materials to generate the electricity and organic fertilizers respectively. In term of the trading goods, they consist of fuel for the agricultural machinery, chemical fertilizers, herbicide in order to sell to farmers under advance credits

According to year ended of 2019, the finished goods of the Company were equivalent to 763.72 Million Baht, less than 2018 equivalent to 453.11 Million Baht or 37.24% because; in 2019, there were less crushing sugarcanes than 2018, and caused the decrease of sugar production accordingly.

According to year ended of 2020, the finished goods of the Company were equivalent to 376.06 Million Baht, less than 2018 equivalent to 387.66 Million Baht or 50.76% because; in 2020, there were less crushing sugarcanes than 2019, and caused the decrease of sugar production accordingly.

## 2. Non-Current Assets

Non-current assets of the Company for year ended on 31 December 2018, 2019 and 2020 were equivalent to 7,305.71 Million Baht, 7,359.12 Million Baht, and 7,171.82 Million Baht respectively. Non-Current Assets of the Company are mainly lands, building and equipment equivalent to 74.35%, 77.11% and 77.14% of total non-current.

### Land, Building and Equipment

As of 31<sup>st</sup> December 2019 and 2020, lands, buildings and equipment have decreased due to decrease of depreciation for business operation.

### **Source of Funding**

### **Capital Structure**

According to financial statement for year ended of 2018, 2019 and 2020, shareholders' equity was equivalent to 2,500.51 Million Baht, 1,862.93 Million Baht and 1,855.83 Million Baht respectively. The debt to equity ratio has decreased to 3.67 times as the year ended 2020 from 4.06 times at the year ended of 2019 because; the Company has converted the debts into capital, and settled the short-term loans with the financial institution.

#### A. Liabilities

The total liabilities for year ended on 31 December 2018, 2019 and 2020 were equivalent to 7,775.72 Million Baht, 7,566.32 Million Baht and 6,807.40 Million Baht respectively. The account payables are 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 2018, 2019 and 2020, the trade account payables and other payables of the Company were equivalent to 817.89 Million Baht, 839.19 Million Baht and 674.59 Million Baht respectively, and the main account payables are 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 2018, 2019 and 2020, the short-term loans from financial institutions were equivalent 2,617.91 Million Baht, 2,265.79 Million Baht and 758.87 Million Baht respectively. In 2020, the short-term loans from financial institutions were greatly decreased because; the Company settled the short-term loans with the financial institution, and converted the some debts into capital.

#### B. Shareholders' Equity

Shareholders' equity for the year ended on 31 December 2018, 2019 and 2020 were equivalent to 2,500.51 Million Baht, 1,862.93 Million Baht and 1,855.83 Million Baht respectively. The shareholders' equity in 2020 has insignificantly decreased from the previous year because the unappropriated retained earnings of the current year have decreased.

#### C. Liquidity

(Unit : Million Baht)

Details	Audited Financial Statement of Year Ended		
	31 Dec 2018	31 Dec 2019	31 Dec 2020
Cash flow before changes in asset and operational liability	853.53	272.75	624.34
Net cash flow from (used in) operating activities	(120.76)	636.84	587.78
Net cash flow on investing activities	(620.92)	(403.39)	93.52
Net cash flow from (used in) financing activities	691.74	(371.96)	(661.49)
<b>Net increase (decrease) in cash flow</b>	<b>(49.94)</b>	<b>(138.51)</b>	<b>19.81</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 2018 and 2019 were lower than the previous year due to the decrease of the Company's profit from the sugar production and distribution as the result from the decreased sugar price in global market.

Cash flow before changes in asset and operational liability and net cash flow from operating activities for the year ended 31 December 2020 were higher than the previous year due to the increase in the Company's net profits as the result from sugar sales revenue and the increased sugar price in global market.

#### Net Cash Flow from Investment Activities

In 2020, The Company received from Sugarcane Farmer Receivables approximately 123 Million Baht, and the Company invested approximately 200 Million Baht in machinery for the business of refined sugar, and bagasse packaging factory.

#### Net cash flow from Financing Activities

According to the financial statement for year ended on 31 December 2020, the Company had net cash flow from financing activities equivalent to 661.74 Million Bah which is the repayment of short-term loans from the financial institution according to the due date.

#### **Liquidity Ratio**

	Unit	Audited Financial Statement of Year Ended		
		31 Dec 2018	31 Dec 2019	31 Dec 2020
Liquidity Ratio	(times)	0.73	0.52	0.64
Quick Liquidity Ratio	(times)	0.40	0.29	0.40
Average Collection Period	(day)	20.60	28.00	24.04
Average Selling Period	(day)	96.00	91.00	81.55
Collection Period	(day)	61.24	66.74	83.39
Cash Cycle	(day)	55.10	51.57	22.20

According to the financial statement for year ended on 31 December 2018, the liquidity ratio was decreased due to the increase of short-term loans from financial institution. In 2019, the liquidity ratio was improved by repayment of the debenture that expired. In term of 2020, the Company's liquidity ratio was decreased due to the pandemic of COVID-19, and resulted in financial institution providing support with debt moratorium.

#### **Profitability Ratio**

According to the financial statement for year ended on 31 December 2018, 2019 and 2020, gross profit margin and net profit of the company were increased in 2020 because of the decrease of cost per sugar unit in the production process and the increased sugar price in global market.

#### **Operation Efficiency Ratio**

According to the financial statement for year ended on 31 December 2018, 2019 and 2020, the Company has the fixed assets turnover equivalent to 0.60 times, 0.52 times, and 0.45 times respectively. As of which, the fixed assets turnover was due to the Company's consecutive investment in order to expand the business. Also, the Company has enhance the sugar production capacity, expanded refined sugar factory business, and the bagasse packaging factory which increased the assets value; meanwhile, the Company's revenue was not greatly increased, and the sugar price in global market was decreased.

#### **Financial Policy Ratio**

Debt to equity ratio of 2018, 2019, and 2020 is equivalent to 3.11 times, 4.06 times and 3.67 times respectively. The debt to equity ratio in 2020 was decreased because of converting debt into capital in order to support the Company's liquidity and reduce the financial cost.

#### **Contingent Liabilities**

According to the financial statement for year ended on 31 December 2020, the Company has the contingent liability due to application of bank certificate, to purchase electricity from Provincial Electricity Authority in amount of 6.20 Million Baht.

## **Possible Factors and Influences on Operation in the Future**

### Sugar Price in Global Market

Since, the main revenue of the Company which is 70% of the total revenue is derived from sugar sales; hence, the sugar price in global market does affect the Company's revenue accordingly. The fluctuation of the global market price depends on supply and demand in the market. Although, the sugar price does affect the Company's revenue, the calculation of sugarcane which is the raw material in producing sugar for cane and sugar in Thailand will be in accordance with the "70:30 Profits Share System". Therefore, if the sugar price in global market has decreased, the sugarcane price will also decrease; or, if the sugar price in global market has increased, the sugarcane price will also increase.

### Sugarcane Cost

Cane and Sugar industry of Thailand determined the profit sharing system between the farmers and the sugar factory at the ratio of 70:30; the sugar factory has to pay the farmer as per the price calculated by the Office of Cane and Sugar in order to share the profit from sugar production to the farmer 70 from 100.

Office of Cane and Sugar calculates the sugarcane price that the sugar factory has to pay the farmer based on the average sugar selling price that the Company and Thai Cane and Sugar Company Limited (TCSC) sold from Quota B. Therefore, the cost raw material will change as per the price that Thai Cane and Sugar Company Limited can sell; and, if the Company sold the sugar in export sales at lower price than actual sales of Thai Cane and Sugar Company Limited, the Company will have to purchase the sugarcane at high price comparing with the Company sales volume and caused the Company's profits to decrease. However, if the Company sold at high price that the average price than Thai Cane and Sugar Company Limited actual sales, the Company will have more profits and margin accordingly.

Nevertheless, the Company managed the aforementioned risk by closely monitoring the period and the sales of TCSC, in order to plan the sales strategy and ensure that the Company selling price in Quota C is at the acceptable price, and prioritizing to sell at the price not lower than the average selling price of Thai Cane and Sugar Company Limited

### 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, 2020.....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 influence 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 -----



## Attachment 1

### Details of the Board of Directors, Executive Member, Controlling Persons and Company Secretary (Part 1)

Name/ Position/ Nationality/ Age/Appointment Date	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience		
				Period	Position	Company
1. Mr. Sirichai Sombutsiri Chairman of Board of Director, Independent Director, and Chairman of Audit Committee  Nationality: Thai Age: 67 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, 2020 No share held by a spouse and underage child)	-None-	Position in the Company & Subsidiaries: 1 Company		
				2013 - Present	Chairman of Board of Director/ 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
2020 Meeting Attendance: Annual General Meeting of Shareholder 1/1  Audit Committee’s Meeting 4/5	Board of Directors’ Meetings: 9/9			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 -		
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.				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	
Age/Appointment Date		Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Period	Position Company
2. Mrs. Seenuel Tasanapant Independent Director, Audit Committee Member, Chairman of Nomination and Remuneration Committee and Chairman of Corporate Governance Committee  Nationality: Thai Age: 75 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-	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
2020 Meeting Attendance:		Position in Other Limited Companies/ Organizations: 1 Company				
Annual General Meeting of Shareholder 0/1  Audit Committee’s Meeting 5/5  Nomination and Remuneration Committee’s Meeting 2/2		Board of Directors’ Meetings: 9/9  Corporate Governance Committee’s Meeting 3/3			2012 – 2016	Director    Taping Ethanol Co., Ltd.
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.						
		Position in Competition/ Related to Businesses of the Company: -None-				

Name/ Position/ Nationality/ Age/Appointment Date	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience Past 5 Years - Present		
				Period	Position	Company
3. Assoc. Prof. Dr. Djitt Laowattana Independent Director and Corporate Governance Committee Member, Nomination and Remuneration Committee Member, Audit Committee Member (Appointed as the Audit Committee Member on January 1, 2021)  Nationality: Thai Age: 59 years old Appointment Date: 25 April 2018	<ul style="list-style-type: none"> <li>- Bachelor of Engineering (Honor), King Mongkut's University of Technology Thonburi</li> <li>- Precision Mechanics and Robotics, Kyoto University, Japan</li> <li>- Ph.D. in Mechanics Engineering, Carnegie Mellon University, USA</li> <li>- Certificate in Management of Technology and Innovation Massachusetts Institute of Technology (MIT), USA</li> <li>- "Regulatory Skills for Directors and Senior Management of Enterprises and Public Organizations", 3/2010, Public Director Institute</li> <li>- Leader Program 15/2013, Capital Market Academy</li> <li>- Courses organized by Thai Institute of Directors (IOD)</li> <li>● Director Certification Program (DCP), 93/2007</li> <li>● Finance for Non-Finance Director (FN), 2008</li> <li>● Understanding the Fundamental of Finance Statement (UFS), 2008</li> <li>● Roles of Chairman Program, 19/2008</li> <li>● Audit Committee Program, 29/2009</li> <li>● Monitoring Fraud Risk Management, MFM 1/2009</li> <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>	No Share	-None-	<b>Position in the Company &amp; Subsidiaries: 1 Company</b>		
				2018 – Present	Independent Director/ Corporate Governance Committee Member/ Nomination and Remuneration Committee Member/ Audit Committee Member	Buriram Sugar Public Company Limited
				<b>Position in Listed Companies: 2 Companies</b>		
				2014 – Present	Director (Independent Director)	TOT Public Company Limited
				2015 – 2020	Director (Independent Director)	Gunkul Engineering Public Company Limited
				2014 – 2015	Chairman of Audit Committee Technology consultant	Siam Commercial Bank Public Company Limited

<b>2020 Meeting Attendance:</b>  Annual General Meeting of Shareholder 1/1  Corporate Governance Committee’s Meeting 2/2	Board of Directors’ Meetings: 9/9			
<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.				
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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. Mrs. Weechadchada Yongsuwankul Independent Director and Audit Committee Member  Nationality: Thai Age: 51 years old Appointment Date: 1 May, 2020		- Bachelor of Accountancy, Bangkok University	No Share	-None-	Position in the Company & Subsidiaries: 1 Company		
		- Certificate Course in Biblical Studies, Hope of Bangkok Church			2020 - Present	Independent Director/ Audit Committee Member	Buriram Sugar Public Company Limited
		- Adizes Institute, USA: Symergetic Diagnosis in Serbia 2019: Organization Transformation			Position in Listed Companies: - None -		
		- Adizes Institute, USA: Leading Highly Effective Team 2018: Organization Transformation			Position in Other Limited Companies/ Organizations: 7 Companies		
		- CEDI BABSON Entrepreneurial Leadership Program 2013-2016: Innovative Entrepreneur			2016 - Present	Founder and Chief Executive	Firm Company Limited
2020 Meeting Attendance:  Annual General Meeting of Shareholder 1/1  Audit Committee's Meeting 4/4  <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.		- 7 Habits for Highly Effective People in 2007 : Paradigm shift to be the most effective person	2017 - Present	Officer Founder and Chief	Sharp Wrapbiz Co., Ltd.		
		- Leadership Greatness in 2007: Planning and empowering team at the utmost efficiency	2018 - Present	Executive Officer	2morrow Scaler Co., Ltd.		
		- Director Certification Program (DCP) Class 226/20	2019 - Present	Founder and Chief Executive	Prudent Business		
		Thai Institute of Directors (IOD)		Officer	Consultant Co., Ltd.		
			1987 - Present	Director	Nexus Foundation		
			2017 - Present	Leaders and develop of Christian members	Christian Prison Ministry Foundation		
			2017 - Present	Life support development	Foundation		
				Advocate	Life Raft Organization		
		Position in Competition/ Related to Businesses of the Company: -None-					

Name/ Position/ Nationality/ Age/Appointment Date		Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience Past 5 Years - Present		
					Period	Position	Company
2. Mrs. Porntip Sookatup  Independent Director and Audit Committee Member  Nationality: Thai  Age: 64 years old  Appointment Date: 1 May, 2020		- Bachelor of Accountancy, Chulalongkorn University  - Thai Institute of Directors (IOD)  ● Audit Committee Program (ACP) Class 37/2014  ● Audit Committee Program (ACP) Class 37/2014	No Share	-None-	Position in the Company & Subsidiaries: 1 Company		
					2020 - Present	Independent Director and Audit Committee Member	Buriram Sugar Public Company Limited
					Position in Listed Companies: - None -		
2020 Meeting Attendance:					Position in Other Limited Companies/ Organizations: 5 Companies		
Annual General Meeting of Shareholder 1/1		Board of Directors' Meetings: 9/9			2017 - Present	Consider and amend the Revenue Code Subcommittee	Office of the Council of State
Audit Committee's Meeting 4/5					2017 - Present	Sub-Branch Office Coordination Subcommittee	Federation of Accounting Professions
<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	Academic Affairs Subcommittee	Chulalongkorn University
					2012 – Present	Director	Alumni Association Tax Research and Development Institute Foundation
					2009 - Present	Director of Tax Law and Regulations	Board of Trade of Thailand
					2009 - Present	Revenue Tax Subcommittee	Board of Trade of Thailand
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		
				Period	Position	Company
6. Mr. Anant Tangtongwechakit Director, Chairman of Executive Committee, Chairman of Risk Management Committee, and Chief Executive Officer and Managing Director (Authorized Director)  Nationality: Thai Age: 56 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, 2020/ including his spouse but no share held by underage child)	Elder brother of Mrs. Wanphen Punyaniran, Mrs. Jirawan Pongpichitkul, Miss Chitima Tangtongwechakit, Mr. Sarit Tangtongwechakit and Mr. Adisak Tangtongwechakit	Position in the Company & Subsidiaries: 11 Companies		
				2012 – Present	Chairman of Executive Committee/ Director/ Chairman of Risk Management Committee/ Chief Executive Officer and 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	Channi Sugar Factory Co., Ltd.
				2015 – Present	Chairman of Board of Directors	Buriram Sugar Capital Co., Ltd.
				2018 – Present	Director	Sugarcane Ecovare Co., Ltd
				2019 – Present	Chairman of Board of Directors	BRR Logistics Management Co., Ltd.
2020 Meeting Attendance:				Annual General Meeting of Shareholder 1/1      Board of Directors' Meetings: 9/9 Risk Management Committee's Meeting 3/4      Executive Committee's Meeting 14/14		
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
				Position in Listed Companies: - None -		
				Position in Other Limited Companies/ Organizations: 7 Companies		
				1975 – Present	Director	Thai Sugar and Bio-Energy 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	
				2017 - Present	Director	Buriram Capital Co., Ltd.
				2018 - Present	Director	Natural Dairy Co., Ltd.
				2020 - Present	Director	BR Molasses Trading Co., Ltd.
				Position in Competition/ Related to Businesses of the Company: - None -		

Name/ Position/ Nationality/ Age/Appointment Date	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience Past 5 Years - Present		
				Period	Position	Company
7. Mrs. Wanphen Punyaniran Director (Authorized Director)  Nationality: Thai Age: 54 years old Appointment Date: 7 July, 2012	- Secondary School Grade 2, Marywithaya Prachinburi School - Director Accreditation Program (DAP) Class 98/2012, Thai Institute of Directors (IOD) - Director Certification Program (DCP) Class 242/2017, Thai Institute of Directors (IOD) - Professional Strategic Management and Professional business management for executive by Dr. Tanai Charinsam	4.0560% (32,939,000 shares) (As of December 30, 2020/ no share held by a spouse and underage child)	Younger sister of Mr. Anant Tangtrongwechakit and elder sister of Mrs. Jirawan Pongpichitkul, Miss Chittima Tangtrongwechakit, Mr. Sarit Tangtrongwechakit and Mr. Adisak Tangtrongwechakit	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		
<b>2020 Meeting Attendance:</b> Annual General Meeting of Shareholder 1/1 Board of Directors' Meetings: 9/9 <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.
				Position in Competition/ Related to Businesses of the Company: - None -		

Name/ Position/ Nationality/ Age/Appointment Date	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience Past 5 Years - Present		
				Period	Position	Company
8. Mrs. Jirawan Pongpichitkul Director, Executive Committee Member, Risk Management Committee Member and Deputy Chief Executive Officer in Raw Material Supply (Sugarcane) (Authorized Director)  Nationality: Thai Age: 53 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, 2020/ no share held by a spouse and underage child)	Younger sister of Mr. Anant Tangtrongwechakit and Mrs. Wanphen Punyaniran and elder sister of Miss Chittima Tangtrongwechakit, Mr. Sarit Tangtrongwechakit and Mr. Adisak Tangtrongweachakit	Position in the Company & Subsidiaries: 9 Companies		
				2010 - Present	Director/ Executive Committee Member/ Risk Management Committee Member/ Deputy Chief Executive Officer in Raw Material Supply (Sugarcane)	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 -						

**2020 Meeting Attendance:**

Annual General Meeting of Shareholder 1/1 Board of Directors' Meetings: 9/9  
 Risk Management Committee's Meeting 3/4 Executive Committee's Meeting 14/14

**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 Deputy Chief Executive Officer in Domestic Sugar Sale and Purchasing Department (Authorized Director)  Nationality: Thai Age: 51 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, 2020/ no share held by a spouse and underage child)	Younger sister of Mr. Anant Tangtrongwechakit, Mrs. Wanphen Punyaniran and Mrs. Jirawan Pongpichitkul and elder sister of Mr. Sarit Tangtrongwechakitj and Mr. Adisak Tangtrongweachakit	Position in the Company & Subsidiaries: 10 Companies		
				1995 - Present	Director/ Executive Committee Member/ Risk Management Committee Member/ Nomination and Compensation Committee Member/ Corporate Governance Committee Member/ Deputy Chief Executive Officer in Domestic Sugar Sale and Purchasing Department	Buriram Sugar Public Company Limited
				2011 - Present	Director/ Executive Committee Member/ Senior Deputy Managing Director (Marketing Department)	Buriram Sugar Factory 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 Deputy Chief Executive Officer in Energy Business and International Investment (Authorized Director)  Nationality: Thai Age: 49 years old Appointment Date: 25 June, 2004	<div>- Bachelor of Business Administration (Management), Buriram Rajabhat University</div> <div>- Master of Art (Political Science, Politics and Government), Ramkhamhaeng University</div> <div>- Director Accreditation Program (DAP)/Class 98/2012, Thai Institute of Directors (IOD)</div> <div>- Director Certification Program (DCP)/Class 242/2017, Thai Institute of Directors (IOD)</div> <div>- 2Morrow Sealer #1 by C Asean</div> <div>- Professional Strategic Management and Professional business management for executive by Dr. Tanat Charinsarn</div> <div>- Xponential Academy</div> <div>- Adizes Institute Worldwide</div> <div>- Digital Edge Fusion #5</div>	4.0499% (32,889,000 shares)  (As of December 30, 2020/ no share held by a spouse and underage child)	Younger brother of Mr. Anant Tangtrongwechakit, Mrs. Wanphen Punyaniran, Mrs. Jirawan Pongpichitkul and Miss Chittima Tangtrongwechakit and elder brother of Mr. Adisak Tangtrongweachakit	Position in the Company & Subsidiaries: 8 Companies		
				2004 - Present	Director/ Executive Committee Member/ Risk Management Committee Member/ Deputy Chief Executive Officer in Energy Business and International Investment	Buriram Sugar Public Company Limited
				2011 - Present	Director/ Executive Committee Member	Buriram Sugar Factory Co., Ltd.
				2005– Present	Director/ Executive Committee Member	Buriram Energy Co., Ltd.
					Managing Director	
				2011– Present	Director	Key Brand Fertilizer Co., Ltd.
				2011– Present	Director/ Executive Committee Member	Buriram Power Co., Ltd
					Managing Director	
				2015– Present	Director/ Executive Committee Member	Buriram Power Plus Co., Ltd.
					Managing Director	
				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 Meeting Attendance:  Annual General Meeting of Shareholder 1/1 Risk Management Committee’s Meeting 3/4 Executive Committee’s Meeting 14/14  <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.				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 -						

Name/ Position/ Nationality/ Age/Appointment Date	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience		
				Period	Position	Company
				Position in the Company & Subsidiaries: 10 Companies		
11. Mr. Adisak Tangtrongwechakit Director, Executive Committee Member, Risk Management Committee Member, Nomination and Remuneration Committee Member, Corporate Governance Committee Member and Deputy Chief Executive Officer in Sugar Production, CSR and Corporate Communications (Authorized Director)  Nationality: Thai Age: 47 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, 2020/ no share held by a spouse and underage child)	Younger brother of Mr. Anant Tangtrongwechakit, Mrs. Wanphen Punyaniran, Mrs. Jirawan Pongpichitkul, Miss Chittima Tangtrongwechakit and Mr. Sarit Tangtrongwechakit	2004 - Present	Director/ Executive Committee Member/ Risk Management Committee Member/ Nomination and Compensation Committee Member/ Corporate Governance Committee Member/ Deputy Chief Executive Officer in Sugar Production, CSR and Corporate Communications	Buriram Sugar Public Company Limited
				2011 - Present	Director/ Executive Committee Member/ Managing Director	Buriram Sugar Factory 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.
				2018 - Present	Director	Sugarcane Ecoware Co., Ltd.
				2019 - Present	Director	BRR Logistics Management Co., Ltd
2020 Meeting Attendance:			Position in Listed Companies: -None-			
Annual General Meeting of Shareholder 1/1			Position in Other Limited Companies/ Organizations: 1 Company and 1 Organization			
Board of Directors' Meetings: 9/9 Corporate Governance Committee's Meeting 2/2			Director Vice Chairman of Board of Directors Director	2007 - Present	B.R.S. Train Terminal Logistics Co., Ltd.	
Risk Management Committee's Meeting 4/4 Executive Committee's Meeting 14/14				2014 - Present	The Federation of Buriram Industries	
Nomination and Remuneration Committee's Meeting 3/3				2012 - Present	Buriram Capital Co., Ltd.	
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.			Position in Competition/ Related to Businesses of the Company: - None -			

Name/ Position/ Nationality/Age	Education	Shares Hold (%)	Family Relationship Between Directors and Executives	Work Experience		
				Period	Position	Company
12. Mr. Pitak Chaosoun Deputy Managing Director of Financial and Operations Group (CFO)  Nationality: Thai Age: 47 years old  Appointed as CFO on November 21, 2018 and terminated the CFO's position on March 1, 2021.  <b>Training Hour of Related Accounting Course:</b> 33 hours in 2020	<div>- Bachelor of Business Administration (Accounting), Ramkhamhaeng University</div> <div>- Master of Business Administration (Business Administration) Ramkhamhaeng University</div> <div>-How to Develop a Risk Management Plan(HRP), Thai Institute of Director</div> <div>- Financial Model 2 - Feasibility Study 1/63</div> <div>- Accurate Accounting and Tax planning for general businesses 2/63</div> <div>- the fundamental benefits of employees 2/63</div> <div>Caution notices to prepare financial statements, the closure of an account and financial statements presented in accordance with International Financial Reporting Standards prior to submitting financial statements in 2020</div> <div>- the important of financial information, financial statements reporting for the benefits in analysis and decision making.</div> <div>- Financial statement fraud detection and prevention with a case study</div> <div>- Update on taxes and foreign investment issues</div> <div>- Related party transaction and impairment issues</div> <div>- CFO's role in strategic financial communications</div>	0.0004% (3,240 shares)  (As of December 30, 2020/ no share held by a spouse and underage child)	-None-	<b>Position in the Company &amp; Subsidiaries: 2 Companies</b>		
				2018 –Present	Deputy Managing Director (Finance & Operation) / CFO	Buriram Sugar Public Company Limited
				2017 – 2018	Deputy Managing Director (Finance & Operation)	
				2017 – 2018	Deputy Managing Director	
				2013 – 2017	Senior Assistant Managing Director (Finance & Operation)	Buriram Sugar Factory Co., Ltd.
				2006 – 2012	Financial and Accounting Manager	
				<b>Position in Listed Companies: -None-</b>		
				<b>Position in Other Limited Companies/ Organizations:</b>		
				2015-Present	Vice Chairman of Federation of Industri	Federation of Buriram Industries
				2018-Present	Subcommittee on Minimum Wages	Buriram Provincial Labour Protection and Welfare Office
<b>Position in Competition/ Related to Businesses of the Company: - None -</b>						
<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	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: 35 years old Appointed as Finance and Accounting Director (CFO) on March 1, 2021 and nominated a replacement for Ms. Kanitha Kanichotorn, Senior accounting manager who possesses the required qualification law as Accounting Controller and relevant regulations as effective on March 1, 2021.	<ul style="list-style-type: none"> <li>- Bachelor Degree with Second Class Honours, Faculty of Liberal Arts and Management Sciences (Accountancy), Kasetsart University</li> <li>- Fundamental of TFRS9</li> <li>- Financial Statement Analysis</li> <li>- Cash Budgeting</li> </ul> <p><b>Training Hour of Related Accounting Course:</b> 18 hours in 2020</p>	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 2014 - 2016	Senior Accounting and Finance Manager Senior Costing Manager	
				<b>Position in Listed Companies:</b> -None-		
				<b>Position in Other Limited Companies/ Organizations:</b> -None-		
15. Miss Patcharee Kosanam Director Office Manager /Company Secretary/ Investor Relations Nationality: Thai Age: 34 years old	<ul style="list-style-type: none"> <li>-Bachelor's degree of Arts (Second-Class Honor), Silpakom University</li> <li>-The trainings related to a company secretary's duties by the Thai Institute of Directors (IOD):</li> <li>• Company Secretary Program (CSP), Class 50/2013</li> <li>• Effective Minute Taking (EMT), Class 25/2013</li> <li>• Board Reporting Program (BRP), Class 10/2013</li> <li>• Company Reporting Program (CRP), Class 5/2013</li> </ul>	No Share	-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>Position in the Company &amp; Subsidiaries:</b>		
				2015 – Present 2006 – 2014	Director Office Manager/ Company Secretary/ Investor Relations Assistant to Company Secretary	Buriram Sugar Public Company Limited
				<b>Position in Listed Companies:</b> -None-		

Appointment Date: 12 November, 2015	- 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				<b>Position in Other Limited Companies/ Organizations: 1 Company</b>	
					2014 – 2015	Executive Secretary to Executive Vice President of Corporate and Communications Department
					<b>Position in Competition/ Related to Businesses of the Company: - None -</b>	

### 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									
	BRR	BSF	BRD	BEC	BPC	KBF	BPP	CSF	BSC	SEW	BRLM
Mr. Sirichai Sombutsiri	X	-	-	-	-	-	-	-	-	-	-
Mrs. Seenual Tasanapant	/	-	-	-	-	-	-	-	-	-	-
Assoc. Prof. Dr. Djitti Laowattana	/	-	-	-	-	-	-	-	-	-	-
Mrs. Weechadchada Yongsuwankul	/	-	-	-	-	-	-	-	-	-	-
Mrs. Pornpip Sookatup	/	-	-	-	-	-	-	-	-	-	-
Mr. Anant Tangtrongwechakit	/ / / / /	X / / / / /	X //	X //	X //	X //	X //	X	X	X	X
Mrs. Wanphen Punyaniran	/	-	-	-	-	/ //	-	-	-	-	-
Mrs. Jirawan Pongpichikul	/ / / / /	/ //	/ / / //	/	/	/ //	/	/	/	-	-
Miss Chittima Tangtrongwechakit	/ / / / /	/ / / //	/	/	/	/	/	/	/	/	/
Mr. Sari Tangtrongwechakij	/ / / / /	/ //	/ //	/ / / //	/ / / //	/	/ / / //	/	/	-	-
Mr. Adisak Tangtrongweachakit	/ / / / /	/ / / //	/	/ //	/ //	/	/ //	/	/	/	/
Mr. Pitak Chaosoun	/ / /	-	-	-	-	-	-	-	-	-	-

**Remarks:** X = Chairman      / = Director      // = Executive Director      /// = Chief Executive Officer and 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 2020, 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 2020, 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 2020, there were 7 executives as follows:

<b>Name</b>	<b>Position</b>
1. Mr. Anant Tangtongwechakit	Chairman of Executive Committee
2. Mr. Adisak Tangtongwechakit	Managing Director in Production
3. Miss Chittima Tangtrongwechakit	Managing Director in Domestic Sale
4. Mrs. Jirawan Pongpichitkul	Managing Director in Raw Material Supply, Credit Analysis and Account Payable
5. Mr. Yanyong Kittithatphongphon	Deputy Managing Director in Production
6. Mr. Nopanan Phoolsap	Assistant Managing Director in Production
7. Ms. Paveena Sukhakit	Assistant Managing Director in Foreign Sale

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, 2, 3 and 4 are also disclosed in “Details of the Boards of Directors, Executive Members, Controlling Persons and Company Secretary” of Buriram Sugar Public Company Limited as well. In addition, the details of the executives in the level 5, 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.5 Mr. Yanyong Kittitachpongorn Deputy Managing Director in Production  Nationality: Thai Age: 69 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. Kanittha Kittitachpongorn, spouse owning 18,000 shares)  (As of December 30, 2020/ Including spouse's but no share held by an underage child)	-None-	Position in the Company & Subsidiaries: 1 Company		
				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 -		
No.6 Mr. Nopamant Poonsub Assistant Managing Director in Production  Nationality: Thai Age: 55 years old	- Bachelor of Chemical Engineering, Prince of Songkla University	0.0037%  (30,600 shares)  (As of December 30, 2020/ No share held by a spouse and underage child)	-None-	Position in the Company & Subsidiaries: 1 Company		
				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 -		
No.7 Ms. Paveena Sukhakitt Assistant Managing Director in Foreign Sale  Nationality: Thai Age: 52 years old	- Bachelor of Political Science, Thammasat University  - Master of Business Administration Strayer University Washington, D.C.  USA	No Share	-None-	Position in the Company & Subsidiaries: 1 Company		
				2020 – Present	Assistant Managing Director in Foreign Sale	Buriram Sugar Factory Company Limited
				Position in Listed Companies: -None-		
				Position in Other Limited Companies/ Organizations: 1 Company		
				2015 – 2020	Country Manager	Czarnikow (Thailand) Co., Ltd.
Position in Competition/ Related to Businesses of the Company: - None -						

## Details of the Board of Directors, Executive Member, Controlling Persons and Company Secretary (Part 2)

### BRR Securities Holding of Directors and Executives in 2020

Name	Position	Amount of Ordinary Shares as of 30 December 2019	Method of Acquisition and Disposition in 2020				Amount of Ordinary Shares as of 30 December 2020	Total Number of Voting Rights	Remark
			Buy	Sell	Received	Transfer			
1. Mr. Sirichai Sombuisiri	Chairman of Board of Directors (Independent Director) and Chairman of Audit Committees	405,000	-	-	-	-	405,000	0.0499	
2. Mr. Anant Tangtrongwechakit	Director, Chairman of Executive Committees, Chairman of Risk Management Committees (Chief Executive Officer and Managing Director (Executive))	33,124,320 *(including Mrs. Sureewan Tanglong wechakit, his spouse's 25,320 shares)	-	-	-	-	33,124,320 *(including his spouse's 25,320 shares)	4.0788	on January 3, 2021, purchased 100,000 shares, filing the changes in securities and derivatives holding report and submitting to the SEC.
3. Mrs. Wanphen Punyaniran	Director (Director of the 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 Chitima 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 Tangtrongwechakit	Director, Executive Committee Member and Risk Management Committee Member (Executive)	32,889,000	-	-	-	-	32,889,000	4.0499	
7. Mr. Adisak 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	

Name	Position	Amount of Ordinary Shares as of 30 December 2019	Method of Acquisition and Disposition in 2020				Amount of Ordinary Shares as of 30 December 2020	% Total Number of Voting Rights	Remark
			Buy	Sell	Received	Transfer			
8. Mrs. Seenual Tasanapant	Independent Director, Audit Committee Member, Chairman of Corporate Governance Committees and Chairman of Nomination and Remuneration Committees	-	-	-	-	-	-	-	No BRR's Shares
9. Assoc. Prof. Dr. Djiti Laowattana	Independent Director and Corporate Governance Committee Member	-	-	-	-	-	-	-	No BRR's Shares
10. Mrs. Weechadchada Yongsuwankul	Independent Director and Audit Committee Member	-	-	-	-	-	-	-	No BRR's Shares
11. Mrs. Pornip Sookatup	Independent Director and Audit Committee Member	-	-	-	-	-	-	-	No BRR's Shares
12. Mr. Pitak Chaosoun	Deputy Managing Director in Accounting and Operations	3,240	-	-	-	-	3,240	0.0004	

**Remark:** - \* According to Report on Executive's securities holding under Section 59, 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.

- \*\*the executive director No.2 purchased additional shares of BRR on January 3, 2021, filing the changes in securities and derivatives holding report and submitted to the SEC.

- 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.



## Attachment 3

### Details of the Head of the Internal Audit

**Name** : Miss Natchaya Yangyuenrat

**Age** : 43 Years old

**Education** : Master of Business Administration in Managerial Accounting, Burapha University  
Bachelor of Accounting, Phetchaburi Rajabhat University

**Training** : Anti-Corruption Working Paper Class 1/2019  
Corruption Risk & Control: Technical Update  
Audit Manager Tools and Techniques  
COSO Enterprise Risk Management 2017, Thai Listed Companies Association (TLCA)  
71 Checklists Version 4.0, Thai Listed Companies Association (TLCA)  
Cyber Security overlooked risks, Thai Listed Companies Association (TLCA)

#### Work Experience (Past 5 Years):

Period	Position	Company/ Type of Business
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 Statement

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, 2020, including the financial information which was disclosed in 2020 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. The new Thai Financial Reporting Standards No.9 or ("TFRS 9"), which are effective as of 1 January 2020, are applied in the preparation of 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 four 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, 2020 are accurate and reliable in accordance with the general standard of accounting, laws and relevant regulations.

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(Mr. Sirichai Sombutsiri)

Chairman of the Board of Directors

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(Mr. Anant Tangtongwechakit)

Chairman of the Executive Committee





## Attachment 6

### Report of the Audit Committee

The Board of Directors of the company has appointed the Audit Committee to be responsible for report reviews, and the committee consists of 5 independent directors as listed below:

- |    |                                |   |
|----|--------------------------------|---|
| 1. | Mr. Sirichai Sombutsiri        | Chairman of the Audit Committee                           |
| 2. | Mrs. Seenual Tasanapant        | Audit Committee Member                                    |
| 3. | Mr. Vichate Tantiwanich        | Audit Committee Member (Resignation date: March 31, 2020) |
| 4. | Mrs. Weechadchada Yongsuwankul | Audit Committee Member (Appointment date: May 1, 2020)    |
| 5. | Mrs. Pornpip Sookatup          | Audit Committee Member (Appointment date: May 1, 2020)    |

In 2020, 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. Sirichai Sombutsiri	4/5
Mrs. Seenual Tasanapant	5/5
Mr. Vichate Tantiwanich	1/5
Mrs. Weechadchada Yongsuwankul	4/5
Mrs. Pornpip Sookatup	4/5

Remark: Mrs. Seenual Tasanapant, Mr. Sirichai Sombutsiri, Mrs. Weechadchada Yongsuwankul, and Mrs. Pornpip Sookatup are Auditing Directors who have sufficient knowledge and experience to review the reliability of financial statements.

The Audit Committee fully performed its duties and responsibilities in line with those as specified in the Audit Committee Charter and under the responsibilities as assigned by the Board. The Audit Committee freely performed its duties with no restriction to receive information. The Audit Committee has committed to the business operations complied with the good corporate governance principles, which included performing the duties as assigned and ensuring transparency, fairness, reliability and accountability as well as the balance of power system. This led to maximize not only shareholders' benefits but their employees and stakeholders.

In 2020, the Audit Committee considered and submitted its opinions regarding the key matters 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 2020 which have been reviewed and audited by the auditor. The Committee deemed that the financial reports were accurate, adequate, reliable, and in line with generally accepted accounting standards.

- **Reviews and evaluation of internal control system adequacy**

The Audit Committee reviewed the adequacy of the company's internal control system with the external auditor and the internal audit office and also considered detectable matters and the internal audit report. It was able to build confidence to meet the objectives of the Company's operations and the compliance with the regulations and policies, assessed the independence of the internal audit office and approved the audit plans and the internal audit charter. The Audit Committee is of the opinion that the Company has sufficient and effective internal control system.

- **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 assessed the independence of the auditors and the scope of auditing, selecting and proposing auditor to the Board of Directors for proposing to the shareholders’ meeting for approval respectively. In consideration of independence, expertise in auditing profession, suitable performance and remuneration, the Audit Committee agreed to propose PricewaterhouseCoopers ABAS Ltd. to be the Company’s and its subsidiaries external auditor for the fiscal year 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, in order to ensure the transactions in compliance with the relevant rules and the regulations prescribed by the Securities and Exchange Act and ordinary business transactions or reasonable transactions with the highest benefits to the Company. 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 2020 Annual Report.

- **Review of whistle blowing system**

The Audit Committee has considered and reviewed the whistle blowing channel by created the complaint channel, provide the opinion and report the illegal activity that may have the violation or non-compliance with laws, the corporate governance policy and the code of conduct. The internal audit office has responsible for receive the complaints of the corporate governance policy and the code of conduct.

**Whistle blowing Channel**

1. By mail: The Chairman of Corporate Governance Committee Phayathai Plaza Building  
128/77-78, 7<sup>th</sup> floor, Phayathai Road, Thung Phayathai, Ratchathewi, Bangkok, 10400  
or  
Internal Audit Office Phayathai Plaza Building  
128/77-78, 7<sup>th</sup> floor, Phayathai Road, Thung Phayathai, Ratchathewi, Bangkok, 10400
2. Suggestion box

- **Review of policy and internal control of risk assessment process on corruption**

The Audit Committee has considered and reviewed to ensure that the system has guidelines to prevent corruption according to the result that the internal audit office has already inspected and evaluated on the Anti-Corruption self-assessment of Thai Institute of Directors.

-----Signed-----

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(Mr. Sirichai Sombutsiri )

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, Chief Executive Officer who 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 2020, 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	3/4
2. Mrs. Jirawan Pongpichitkul	3/4
3. Miss Chittima Tangtrongwechakit	4/4
4. Mr. Sarit Tangtrongwechakit	3/4
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 2020 important matters performed by such committee are as follows;

#### 1. Risk Management Plan in 2020

Risk Management Committee has determined the risk appetite in each business unit (BU) for the risk management in each sector as follows:

- BSF is divided into 3 groups as follows:
  1. The Effectiveness of Production: % of Pol Extraction, sugarcane crushing volume, condensation of bagasse, loss of sugar in some parts, the initial pH of sugarcane juice, WCV/WCR, total loss, boiling house recovery, and total machine time loss.
  2. The Management of Final Molasses: the temperature of molasse storage and stock molasses.
  3. Contamination in Production Process: conductivity value of raw water, contaminated condensate water with sugar provided to the power plants.
- The Power Plants of BEC, BPC and BPP: live and exhaust steam supplied to the sugar factory, bagasse moisture, and electricity sold to PEA.
- KBF: outside market sales of fertilizer, the profits acquired from fluctuating price of the prototypes of fertilizer, the efficiency of fertilizer production and its production loss.

- BRD: % of raw sugarcane, % of leaf sheath on a sandy soil per sugarcane, Commercial Cane Sugar (C.C.S.), the accumulated volume of cane crushing as compared with the plans, % of cane crushing volume, and % of (accumulated) debt collection.
- BRR: the volume of sugar quality complaints, currency fluctuation (exchange rates), the volatility of global sugar prices, sugar stocks and a lack of liquidity as a result of the error in cash flow forecast.

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 subsidiaries in order to determine a policy, provide 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 must be submitted to ensure the specified risk management in line with the changing situations.

## 4. Business Continuity Management Team

According to the Coronavirus 2019 (COVID-19) epidemic, the Company became incapable of operating their business as normal. Therefore, the Company has established the Business Continuity Management Team to enable effective and continued operations of the main business or important business groups' operations even in the time of crisis. The compositions and functions of the team are as follows;

1. Authorized BCP Activator is responsible for considering the situation, making decisions, and announcing the orders / canceling the BCP's plans.

2. Crisis Management Team: CMT has the responsibilities to manage emergency situations, crisis, or disaster, acting as the center point for making decisions about these issues until the crisis or emergency situations cases pass, to coordinate with the management level of each sector in order to follow the process of the BCP's plan or the company's guidance which is announced during the crisis, and further to consider and to approve the implementation of additional (specific) orders in case of crisis occurred.

3. Crisis Communication is assigned to relay information to relatives about the situation and ensures accurate information authorized by the CMT or the individual assigned by CMT. In communications, it covers both internal and external communications. Communication within the organization is when information about the situation transmitted to people within BRR and its subsidiaries and Communication outside the organization is when information about the situation transmitted to the stakeholders of BRR and its subsidiaries which include customers, vendor / supplier, and farmers.

4. Incident Response Team: IRT is given responsibility for relieving the initial incidents, controlling, and coordinating the support, providing direction of the operations and team member in charge's needs, and taking control of the operations to achieve as planned.

5. Recovery Team is responsible for recovering the process of critical business functions to ensure that it can continue working or and recovering within the specified time frame. The team includes Business Continuity Team: BC team, IT Disaster Recovery Team: IT, and DR Team.

According to the above roles and duties, the Executives, the Board of Directors, and the Risk Management Committee are responsible for overseeing to develop a business continuity management system as a part of risk management to be appropriate for the long-term benefits to Buriram Sugar Public Co., Ltd. and its subsidiaries and to build the confidence in business operations. The Risk Management Committee expects the consistent development of risk management activities which would lead BRR 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 BRR and its subsidiaries.

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(Mr. Anant Tangtongwechakit)

Chairman of the Risk Management Committee



## Attachment 8

### Report of the Nomination and Remuneration Committee

To: All shareholders,

In 2020, 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.	Miss Chittima Tangtrongwechakit	Nomination and Remuneration Committee Member	2/2
3.	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 2020, 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 2020, 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 related to the nomination and selection of the Board of Directors and Sub-committees.
- Review and update the Board Skill Matrix to ensure the current work 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 2021 training plan of the directors and sub-committees in order to improve and develop the operations more efficient.
- Review the performance assessment tool and the details for the Board of Directors, Sub-committees, and Managing directors in accordance with the Anti-corruption policy, the Good Corporate Governance practice, and the Securities and Exchange Commission and The Stock Exchange of Thailand.

Thus, the disclosure of such training attendance and self-assessment results for the Board of Directors, Sub-committees and the Chief Executive Officer is found in this annual report and Form 56-1 in 2020.

## **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.

However, as the Company's operation of 2019 is at loss and in accordance with the economic condition at present and the good corporate governance, it is appropriate to revise the remuneration for the year 2020 in total amount not exceeding 3,000,000 Baht (from 8,000,000 Baht, to decrease the annual bonus (Baht/year) by 20 % and to omit the remuneration for the directors who are the executives of the Company or its subsidiaries (by requiring the remuneration only paid for independent directors and/or the directors who are not executives of the Company or the subsidiaries.)

In this regard, it was determined to provide the remuneration for the directors and three of sub-committees including the Audit Committee, the Risk Management Committee, and the Executive Committee in the form of monthly remuneration and the annual bonus as the same. And, the Corporate Governance Committee and the Nomination and Remuneration Committee's remuneration was paid in the form of the meeting allowances (per meeting). Apart from the above remuneration, there are no other benefits provided to the directors.

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, the Chief Executive Director, and senior executives in this annual report and Form 56-1 in 2020.

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(Mrs.Seenual Tasanapant)

Chairman of the Nomination and Remuneration Committee



## Attachment 9

### Report of the Corporate Governance Committee

To: All Shareholders

In 2020, 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 2020, 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 BRR and its subsidiaries.
- The Charters of the Sub-Committees were reviewed and reported to the Board of Directors in 2020 as follows:
  - Separating the roles of Chairman of the Board of directors and the Chairman of the Audit committee for the checks and balances.
  - The Corporate Governance Committee should have the responsibilities to consider, monitor, evaluate and review the Company's performance to cover the operational sustainability – it comprises Environmental, Social and Governance (ESG). As, the interconnectedness of these issues reflects the good corporate governance with transparency, auditability, fairness and taking all stakeholders into account together with the effective risk-management, the capacity to compete in markets and the long-term returns creation.
- The Corporate Governance and Business Code of Conduct handbook were reviewed in order to comply with the Corporate Governance Code (CG Code).
- 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 three consecutive years, with the average score of 94% which is higher than the average score of the overall listed companies of the Stock Exchange of Thailand which were at 83% under the project of the Assessment of Corporate Governance Report of Thai Listed Companies (CGR) in 2020 by Thai Institute of Directors (IOD)
- Analyze the evaluation results of the project of the Assessment of Corporate Governance Report of Thai Listed Companies (CGR) in 2020 and the recommendation provided by Thai Institute of Directors (IOD) and also acknowledge the results of

the internal audit system related to corporate governance in 2019 in order to improve and perform on these matters more effectively and efficiently.

- 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 been requested to assess the internal control system, working procedures, and other significant policies for the corporate's anti-corruption measures. the Company has declared intention and acquired the certification as the member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). More details are disclosed in Part 2 item no. 11 Internal Control and Risk Management in this annual report and Form 56-1 in 2020.
- 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 2020.

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 2020 operations on this issue are disclosed in Part 2, item no. 9 Corporate Governance in this annual report and Form 56-1 in 2020.

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(Mrs.Seenual Tasanapant)

Chairman of the Corporate Governance Committee

### 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.	✓	

<b>Monitoring Activities</b>
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**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.	✓	
<p>17.2 The company has the following reporting policies:</p> <p>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.</p> <p>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.</p> <p>17.2.3 Progress on the remedy of significant flaws are reported to the company's Board of Directors/ Audit Committee.</p>	<p>✓</p> <p>✓</p> <p>✓</p>	



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