

# **Annual Registration Statement 2018**



**Buriram Sugar Public Company Limited**

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## Message to Shareholders

Dear All Shareholder,

2018 was the year which the price of sugar in the global market had high volatility and a record-breaking decreased price. The price of raw sugar in the global market opened at 15 cents/lbs in January and dropped to 9.83 cents/lbs in September before rising to be closed at 12.03 cents/lbs in late December. Whereas, the average price is 12-13 cents/lbs; compared with the same period in the previous year at 20 cents/lbs. The main cause was the significant increase of productivity of the major sugar-producing countries including India, Thailand, the European Union and China; and, the boost on Indian Sugar export, the change of trends in sugar consumption, together with the stock of the sugar in global market was still high compared to the demand consumption - this exceeded products affected the pressure on the price. Moreover, the global economic had slowed down due to the trade war between China and the United States which caused the oil prices tending to drop and affected the commodity prices to fall as well. At the same time, the government's announcement for restructuring the sugarcane and sugar industry management in the beginning of the year; especially the cancellation of quotas system and the floating of sugar retail prices which was the result of Brazil's accusations against Thailand with the World Trade Organization (WTO) that Thailand subsidize the sugar and sugarcane industry which distorted the market and caused damages to Brazil. As of which, the restructuring affected the internal sugar price that decreased based on the global market price, and it also decreased sales volume as well.

Nevertheless, according to the aforementioned factors of economic and the demand and supply of the sugar; the company's operation result of 2018 earned revenues from the sales of goods and services in total of 5,555.97 million Thai Baht and the net profits of 271.67 million Thai Baht. Even though, there were external factors affecting the overall operations of the company, the company does have the long-term protocols for making the company's performance grow sustainably - by promoting and supporting the farmers to plant sugarcane as Contract Farming, including developing the new innovations related to the sugarcane's breeds. In addition, there is the management system for supporting plantation, managing the farmer system with online farm systems and other information technology management systems, including providing education to the farmers, in order to develop the productivity which is the significant factor of successful sustainable business development of the company.

Moreover, in order to respond to the consumer's behavior which will change in the future in accordance with the globalization (Mega Trends), the company has studied the possibility of expanding the investment on new businesses for generating additional values of the company. Also, the company is willing to develop both of its employee and the sugarcane farmers in respect of the mission – “***Sugarcane Agriculturist Businessmen***”; for making the sugarcane farming as a stable career – good income with happiness, and be able to pass on experiences and knowledge from generation to generation and inherit the business to every generation because the company believes that these things shall bring the sustainability in term of the business operations.

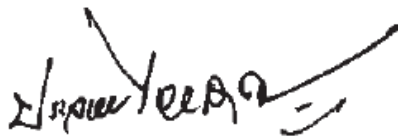
In regards of the biomass power plant in the previous year, the power plant group earned revenue from the operation in amount of 972 million Thai Baht with the net profit of 410 million Thai Baht which is 78% higher than 2017. Moreover, Buriram Power Co., Ltd. (“BPC”), a subsidiary company has achieved ***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 ***36<sup>th</sup> ASEAN Ministers on Energy Meeting (36 AMEM)*** in Singapore.

Regarding of the by-product business in previous year, the company was established Sugarcane Ecoware Co., Ltd. (“SEW”), a subsidiary company with the purposes to produce, distribute, import and export packages, tools and equipment made of bagasse and other natural materials. Whereas, SEW is estimated to be able for starting the commercial production in mid-2019.

Furthermore, in respect of the social and environmental responsibility, the company has operated based upon the idea of "Business development with environment conservation and creating sustainable progress to the community" by strengthening the communities surrounding the establishment such as; Organic Jasmine Agriculture Promoting Project in the Non Klang community, in order to increase the income and strengthen the community. Also, the company has collaborated with the Zoological Park Organization under the Royal Patronage of His Majesty the King on the construction of the King's Eastern Sarus Crane Learning Center at Non-Hunting Area in Huai Saeng Nua, Mueang District, Buriram Province. Nonetheless, the social responsibility of the company is one of the important key factors which will lead the organization to grow sustainably along with developing of the quality of living of the sugarcane farmers, neighbor community and its employees for better sustainability.

In term of corporate governance, the company has received the certificate as a member of the Collective Action Coalition Against Corruption (CAC) on June 7<sup>th</sup>, 2018. Hence, the company has conducted businesses in accordance with the policy and measures on anti-corruption continuously, as well as informed and communicated such matter to business partners and related parties, including organized in-house seminars and campaigns for the personnel in the organization. Furthermore, the company has opened the channel for receiving the complaint and suggestion (**Whistleblowing**) for the complaint from stakeholders through the suggestions box and postage which will be sent directly to the Chairman of Corporate Governance Committee. However, there was no any whistleblowing issue or suggestion received from stakeholders in the previous year. On account of overseeing and monitoring the compliance with the good corporate governance, this led to the result of being assessed as ***“Excellent” with the average score of 93% which is higher than the average score of the overall listed companies of the Stock Exchange of Thailand which were at 81% under the project of the Assessment of Corporate Governance Report of Thai Listed Companies (CGR) in 2018*** by Thai Institute of Directors (IOD).

On behalf of the Board of Directors, Executives and all employees, the company would like to thank all of the shareholders and stakeholders for always trust and support the company's business, and kindly be ensured that the company is prepared to the operate the business with sustainability, and also willing to carry on creating the benefits for the country, shareholders and all stakeholders with good governance.



(Mr. Prachuab Chaiyasan)

Chairman of the Board of Directors



(Mr. Anant Tangtongwechakit)

Chairman of Executive Committee and Managing Director

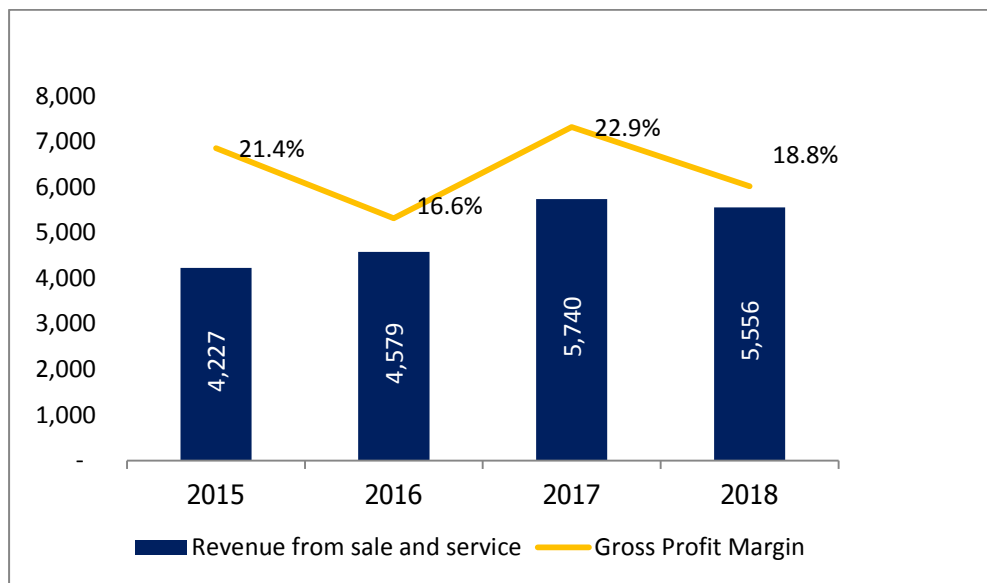
## Financial Result and Operating Overview

Unit: Million Baht

Financial Statement	2015	2016	2017	2018	Compare 2017 and 2018	
P/L Statement					Increase (Decrease)	Change (%)
Revenue from Sales and Services	4,226.65	4,579.21	5,740.44	5,555.97	-184.47	-3.21
- Sugar	3,060.40	3,445.60	4,266.61	3,866.26	-400.35	-9.38
- Molasses	369.99	283.60	437.44	499.28	61.84	14.14
- Electricity	279.00	383.81	492.14	556.57	64.43	13.09
- Others	517.26	466.21	544.26	633.86	89.60	16.46
Other Revenues	69.21	106.32	155.31	288.84	133.53	85.97
Total Revenue	4,295.86	4,685.54	5,895.75	5,844.81	-50.94	-0.86
Total Expense	3,844.32	4,366.23	5,032.94	5,218.79	185.85	3.69
Net Profit	272.35	113.32	525.41	271.67	-253.74	-48.29
Consolidated Statement of Financial Position						
Current Assets	1,997.05	2,096.05	2,655.50	2,970.52	315.02	11.86
Total Assets	6,764.48	7,226.86	9,232.74	10,276.23	1,043.49	11.30
Liabilities	4,638.30	5,134.09	6,760.20	7,775.72	1,015.52	15.02
Shareholders' Equity	2,126.18	2,092.77	2,472.52	2,500.51	27.99	1.13
Financial Ratio						
Current Ratio (times)	0.85	0.51	1.04	0.73		
Debt to Equity Ratio (times)	2.18	2.45	2.73	3.11		
Gross Profit Margin (%)	21.41	16.61	22.86	18.85		
Net Profit Margin (%)	6.34	2.42	8.91	4.65		
Return On Assets (%)	4.48	1.62	6.38	2.79		
Return On Equity Ratio (%)	13.24	5.37	23.02	10.93		
Earnings Per Share	0.40	0.17	0.65	0.33		
Dividend Per Share	0.22	0.22	0.45	0.15		
Dividend Payout Ratio on Net Profit (%)	54.67	130.71	70.05	44.84		

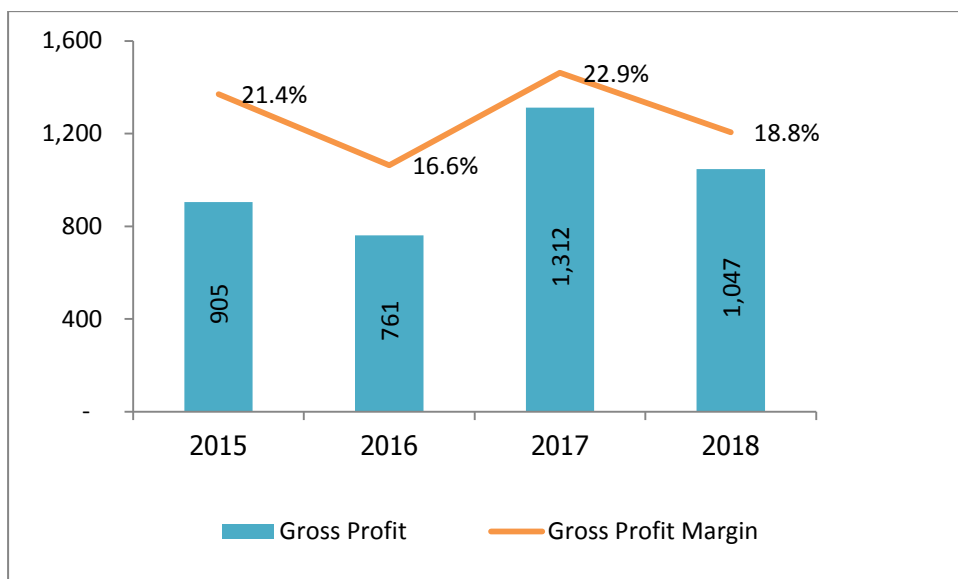
## Revenue from Sale and Service and Gross Profit Margin

Unit: Million Baht

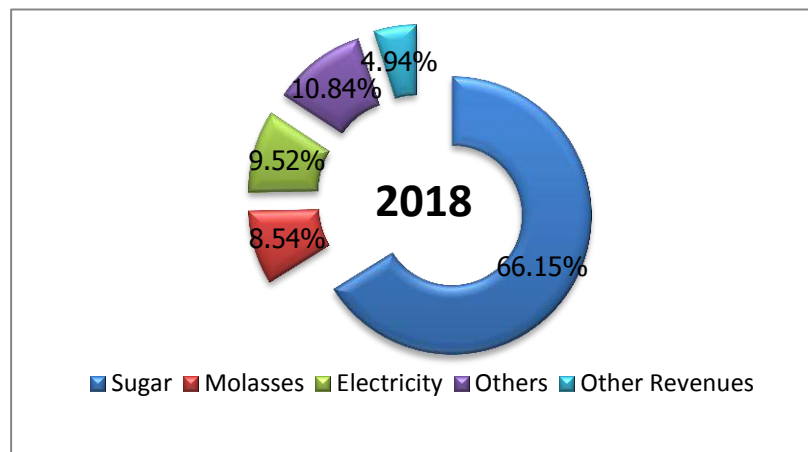


## Gross Profit and Gross Profit Margin

Unit: Million Baht

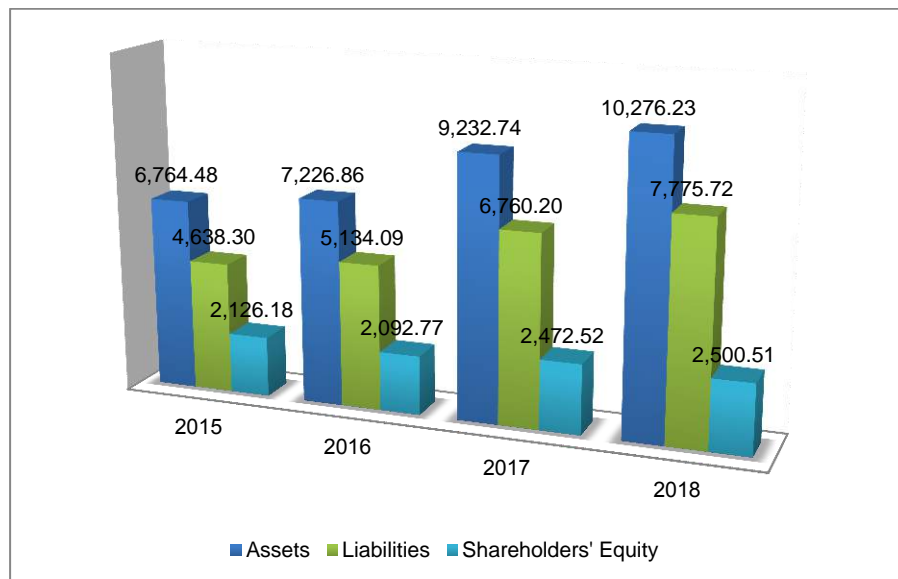


## Proportion of Revenue from Sale and Service of Each Product in 2018

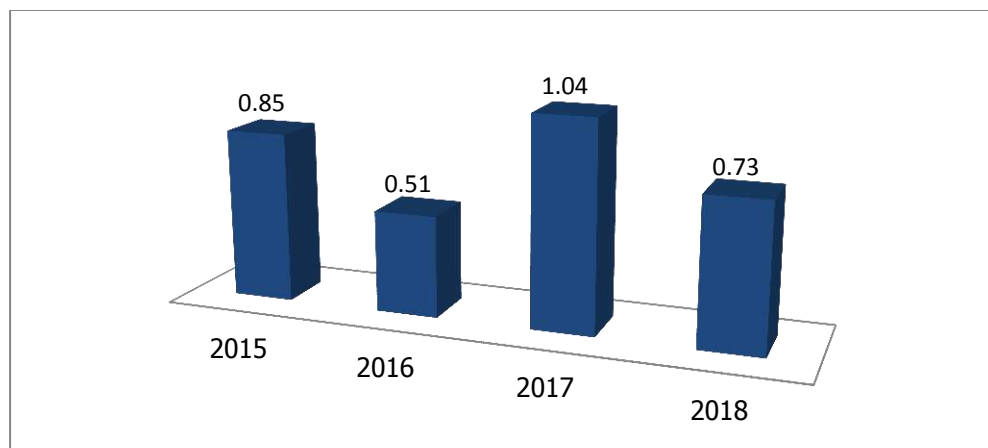


## Assets

Unit: Million Baht



## Current Ratio (times)





## Business Operations Overview in 2018 (Crop Year 2017/2018)

Cane crushing  
3.15 million tons



Contract farming  
11,780 farmers



### Sugar Selling Proportion

Sugar for Export

72.3%\*\*

Sugar for Domestic Sale

20.0%\*\*

Asia	Africa	Others	Distributors/ Retail Shops	Modern Trade	Food Service
82.0%	14.0%	4.0%	93.6%	6.2%	0.2%

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

Planting area 239,523 rai (6.1 rai = 1 ha)



Sweetness 13.7 CCS.



Crushing unit 24,000 tons/day



Sugar Production 378,185 tons



### Sales by Sugar Types



Raw Sugar and VHP

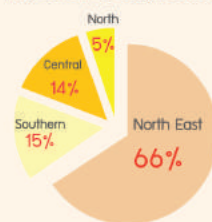


Brown Sugar

### Domestic Customers

• Distributors :

Proportion of sugar sales by region 2018



• Modern Trade



• Food Service



### Total Capacity of Power Plants 29.70 MW



BEC



BPC



BPP

### Power Purchased Agreement



BEC with PEA 8 MW



BPC with PEA 8 MW



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

### International Customers



ALVEAN BUNGE wilmar Olam



### Sugar Brand



Double Keys



BRUM



## Board of Directors



6 11 7 4 8 9 10 5  
2 1 3

### 1. Mr. Prachuab Chaiyasan

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

### 2. Mr. Anant Tangtongwechakit

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

### 3. Mr. Sirichai Sombutsiri

Independent Director and Audit Committee Member

### 4. Mrs. Seenual Tasanapant

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

### 5. Assoc. Prof. Dr. Djitt Laowattana

Independent Director and Corporate Governance Committee Member

### 6. Mr. Vichate Tantiwanich

Independent Director and Nomination and Compensation Committee Member

### 7. Mrs. Wanphen Punyaniran

Director (Executive and Authorized Director)

### 8. Mrs. Jirawan Pongpichitkul

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

### 9. Miss Chittima Tangtrongwechakit

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

### 10. Mr. Sarit Tangtrongwechakitj

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

### 11. Mr. Adisak Tangtrongweachakit

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





## Executives

### 1. Mr. Anant Tangtongwechakit

Chairman of Executive Committee and Managing Director (Director)

### 2. Mrs. Jirawan Pongpichitkul

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

### 3. Miss Chittima Tangtrongwechakit

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

### 4. Mr. Sarit Tangtrongwechakit

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

### 5. Mr. Adisak Tangtrongweachakit

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

### 6. Mr. Pitak Chaosoun

Deputy Managing Director in Finance and Operation (CFO)

### 7. Mr. Pattarapong Pongsawasdi

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

### 8. Mr. Adul Suravudhikul

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

### 9. Mr. Somyot Changyongsuwan

Assistant Managing Director in Accounting (Accounting Controller)

