

**BURIRAM SUGAR PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2016**

## **Independent Auditor's Report**

To the shareholders of Buriram Sugar Public Company Limited

### **My opinion**

In my opinion, the consolidated financial statements of Buriram Sugar Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### **What I have audited**

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

### **Basis for opinion**

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key audit matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Valuation of raw material sugarcane price. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<p><b>Valuation of raw material - Sugarcane price</b></p> <p>Refer to Note 3.7 'Accounting policies - Inventory' and Note 12 'Inventory' to the consolidated and separate financial statements.</p> <p>The Group has an inventory balance as of 31 December 2016 totalling Baht 581.63 million. Management assesses the price of the raw material sugarcane, which is calculated based on a market price announced by the government for the prior year's crop and an estimated price for the current crop. The estimated price is calculated by a reliable external source in the sugar industry, and it requires management judgement on the assumptions used in the valuation of raw material cost e.g. demand and supply, and future world prices of sugar.</p> <p>I focused on this area due to the size of the inventory balance and because of the subjectivity of management's judgment on the reasonableness of the assumptions used in the valuation of the raw material cost.</p>	<p>I inquired management in order to understand the accounting treatment and the nature of transactions for the raw material cost calculation. I challenged management about the appropriateness of the assumptions used and the calculation method, including the consistency of the method applied.</p> <p>I obtained the detailed report used in the valuation and tested if the information was accurate and appropriate, which included the calculation.</p> <p>I assessed if the assumptions used in the valuation of raw materials were reasonable by comparing them with the reliable external source. I considered that they were in line with the historical and current information, and the same industry.</p> <p>Based on my procedures above, I found that the assumptions made by management in relation to the calculation of raw material cost to be reasonable based on the available evidence.</p>

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

### **Responsibilities of the directors for the consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the consolidated and separate financial statements**

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

**Prasit Yuengsrikul**

Certified Public Accountant (Thailand) No. 4174

Bangkok

23 February 2017

**Buriram Sugar Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2016**

	Notes	Consolidated financial statements			Separate financial statements		
		2016	2015	2014	2016	2015	2014
		Baht	(Restated) Baht	(Restated) Baht	Baht	(Restated) Baht	(Restated) Baht
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	9	85,346,019	213,924,458	348,532,521	4,491,384	11,598,663	223,683,992
Trade and other receivables, net	10, 32	214,995,565	221,160,556	293,034,267	33,746,237	156,982,032	245,364,016
Farmer receivables, net	11, 32	990,066,535	701,900,883	505,484,382	10,300,000	10,900,000	15,641,446
Inventories, net	12	581,629,513	715,206,897	610,541,403	-	-	-
Current portion of long-term borrowings to subsidiaries	32	-	-	-	95,000,000	74,000,000	-
Current portion of long-term borrowings to farmers	16, 32	175,765,724	96,149,413	82,180,598	-	-	-
Other current assets	13	48,245,082	48,705,481	73,368,417	7,958,509	9,474,900	17,261,650
<b>Total current assets</b>		<b>2,096,048,438</b>	<b>1,997,047,688</b>	<b>1,913,141,588</b>	<b>151,496,130</b>	<b>262,955,595</b>	<b>501,951,104</b>
<b>Non-current assets</b>							
Other long-term investments, net	15	1,995,734	1,903,650	1,980,470	587,959	495,875	572,695
Investment in subsidiaries	14	-	-	-	1,445,476,600	1,280,477,600	1,270,478,100
Long-term borrowings to subsidiaries, net	32	-	-	-	2,652,863,752	3,317,568,630	2,183,190,318
Long-term borrowings to farmers, net	16, 32	203,031,477	110,448,967	183,127,380	-	-	-
Other receivable - Office of the Cane and Sugar Fund	17	-	155,848,895	-	-	-	-
Property, plant and equipment, net	18	4,684,626,966	4,264,589,304	3,051,997,385	15,634,001	11,564,851	22,238,783
Intangible assets, net	19	27,750,587	17,214,881	12,008,156	10,491,058	-	-
Deferred tax assets, net	20	195,806,890	211,129,582	221,097,174	10,667,628	11,146,337	12,145,179
Other non-current assets		17,596,448	6,293,592	2,192,630	156,900	-	-
<b>Total non-current assets</b>		<b>5,130,808,102</b>	<b>4,767,428,871</b>	<b>3,472,403,195</b>	<b>4,135,877,898</b>	<b>4,621,253,293</b>	<b>3,488,625,075</b>
<b>Total assets</b>		<b>7,226,856,540</b>	<b>6,764,476,559</b>	<b>5,385,544,783</b>	<b>4,287,374,028</b>	<b>4,884,208,888</b>	<b>3,990,576,179</b>

Director \_\_\_\_\_

Date \_\_\_\_\_

The accompanying notes on pages 13 to 53 are an integral part of these consolidated and separate financial statements.

**Buriram Sugar Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2016**

	Notes	Consolidated financial statements			Separate financial statements		
		2016	2015	2014	2016	2015	2014
		Baht	(Restated) Baht	(Restated) Baht	Baht	(Restated) Baht	(Restated) Baht
<b>Liabilities and equity</b>							
<b>Current liabilities</b>							
Bank overdrafts	22	-	8,344	34,435,771	-	-	-
Trade and other payables	21, 32	602,354,572	512,263,048	488,659,795	11,752,547	145,203,832	243,334,327
Short-term borrowings from financial institutions	22	1,710,253,155	1,475,176,244	2,165,091,347	1,003,953,155	1,358,215,988	1,260,160,698
Current portion of long-term borrowings from financial institutions and others	22	508,671,328	304,304,422	159,878,070	-	-	-
Current portion of hire-purchase liabilities	22	10,105,057	10,566,953	10,150,845	251,802	-	10,656
Debentures	22	850,000,000	-	-	850,000,000	-	-
Long-term borrowings from financial institutions	22	422,159,900	-	-	-	-	-
Current portion of employee benefit obligations	24	9,343,087	6,645,665	1,381,380	3,423,149	2,991,329	526,847
Income tax payable		4,239,336	12,872,312	4,308,534	354,339	6,762,888	366,326
Other current liabilities	23	15,750,240	26,908,051	31,489,127	8,340,440	6,127,810	6,694,068
<b>Total current liabilities</b>		<b>4,132,876,675</b>	<b>2,348,745,039</b>	<b>2,895,394,869</b>	<b>1,878,075,432</b>	<b>1,519,301,847</b>	<b>1,511,092,922</b>
<b>Non-current liabilities</b>							
Long-term borrowings from financial institutions and others, net	22	961,041,026	1,390,186,734	452,901,495	-	-	-
Hire-purchase liabilities, net	22	15,630,342	14,069,629	9,673,567	777,980	-	-
Debentures	22	-	850,000,000	-	-	850,000,000	-
Deferred tax liabilities, net	20	443,997	9,155,233	9,714,573	-	-	-
Employee benefit obligations, net	24	23,237,045	26,147,625	29,455,662	7,930,227	8,978,121	11,221,752
Other non-current liabilities		856,000	-	-	-	-	-
<b>Total non-current liabilities</b>		<b>1,001,208,410</b>	<b>2,289,559,221</b>	<b>501,745,297</b>	<b>8,708,207</b>	<b>858,978,121</b>	<b>11,221,752</b>
<b>Total liabilities</b>		<b>5,134,085,085</b>	<b>4,638,304,260</b>	<b>3,397,140,166</b>	<b>1,886,783,639</b>	<b>2,378,279,968</b>	<b>1,522,314,674</b>

The accompanying notes on pages 13 to 53 are an integral part of these consolidated and separate financial statements.

**Buriram Sugar Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2016**

	Consolidated			Separate		
	financial statements			financial statements		
	2016	2015	2014	2016	2015	2014
	(Restated)	(Restated)		(Restated)	(Restated)	
Note	Baht	Baht	Baht	Baht	Baht	Baht
<b>Liabilities and equity (Cont'd)</b>						
<b>Equity</b>						
Share capital						
Authorised share capital						
	676,750,000	676,750,000	676,750,000	676,750,000	676,750,000	676,750,000
	at par value of Baht 1 each					
Issued and paid-up share capital						
	676,750,000	676,750,000	676,750,000	676,750,000	676,750,000	676,750,000
	fully paid-up of Baht 1 each					
	Premium on ordinary shares	954,665,813	954,665,813	954,665,813	954,665,813	954,665,813
Retained earnings						
Appropriated						
	- Legal reserve	39,680,867	25,669,147	18,096,416	39,680,867	25,669,147
26						9,439,650
	Unappropriated	420,828,757	468,904,450	338,971,884	729,478,458	849,252,872
	Other components of equity	15,251	(408,912)	(347,456)	15,251	(408,912)
<b>Equity attributable to owners</b>						
<b>  of the parent</b>						
	2,091,940,688	2,125,580,498	1,988,136,657	2,400,590,389	2,505,928,920	2,468,261,505
Non-controlling interests						
	830,767	591,801	267,960	-	-	-
<b>Total equity</b>						
	<u>2,092,771,455</u>	<u>2,126,172,299</u>	<u>1,988,404,617</u>	<u>2,400,590,389</u>	<u>2,505,928,920</u>	<u>2,468,261,505</u>
<b>Total liabilities and equity</b>						
	<u>7,226,856,540</u>	<u>6,764,476,559</u>	<u>5,385,544,783</u>	<u>4,287,374,028</u>	<u>4,884,208,888</u>	<u>3,990,576,179</u>

The accompanying notes on pages 13 to 53 are an integral part of these consolidated and separate financial statements.



**Buriram Sugar Public Company Limited**  
**Statements of Comprehensive Income**  
**For the year ended 31 December 2016**

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Revenue from sales and services	27	4,579,212,363	4,226,648,347	-	-
Cost of sales and services		<u>(3,818,638,471)</u>	<u>(3,321,645,151)</u>	-	-
<b>Gross profit</b>		760,573,892	905,003,196	-	-
Other income	28	95,225,189	63,081,912	259,198,662	377,859,858
Gain (loss) on foreign exchange rate		11,093,070	6,124,926	(969)	-
Selling expenses		(170,626,771)	(175,727,418)	-	-
Administrative expenses		(376,955,843)	(346,944,873)	(128,547,444)	(126,141,609)
Finance costs		<u>(176,701,185)</u>	<u>(125,488,835)</u>	<u>(76,918,283)</u>	<u>(60,016,574)</u>
<b>Profit before income tax expense</b>		142,608,352	326,048,908	53,731,966	191,701,675
Income tax expense	30	<u>(29,287,465)</u>	<u>(53,701,744)</u>	<u>(11,307,349)</u>	<u>(19,305,702)</u>
<b>Net profit for the year</b>		<u>113,320,887</u>	<u>272,347,164</u>	<u>42,424,617</u>	<u>172,395,973</u>
<b>Other comprehensive income (expense):</b>					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	24	1,897,886	1,113,642	658,706	853,623
Income tax relating to remeasurements of post-employment benefit obligations		<u>(158,780)</u>	<u>(222,728)</u>	<u>38,983</u>	<u>(170,725)</u>
		<u>1,739,106</u>	<u>890,914</u>	<u>697,689</u>	<u>682,898</u>
Items that will be reclassified subsequently to profit or loss					
Change in value of available-for-sale investments		34,428	(76,820)	34,428	(76,820)
Transferred disposal of available-for-sale investments		408,912	-	408,912	-
Income tax relating to change in value of available-for-sale investments		<u>(19,177)</u>	<u>15,364</u>	<u>(19,177)</u>	<u>15,364</u>
		<u>424,163</u>	<u>(61,456)</u>	<u>424,163</u>	<u>(61,456)</u>
<b>Other comprehensive income for the year, net of tax</b>		<u>2,163,269</u>	<u>829,458</u>	<u>1,121,852</u>	<u>621,442</u>
<b>Total comprehensive income for the year</b>		<u>115,484,156</u>	<u>273,176,622</u>	<u>43,546,469</u>	<u>173,017,415</u>
<b>Profit attributable to:</b>					
Owners of the parent		113,082,955	271,964,585	42,424,617	172,395,973
Non-controlling interests		<u>237,932</u>	<u>382,579</u>	-	-
		<u>113,320,887</u>	<u>272,347,164</u>	<u>42,424,617</u>	<u>172,395,973</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		115,245,190	272,793,841	43,546,469	173,017,415
Non-controlling interests		<u>238,966</u>	<u>382,781</u>	-	-
		<u>115,484,156</u>	<u>273,176,622</u>	<u>43,546,469</u>	<u>173,017,415</u>
<b>Earnings per share</b>					
Basic earnings per share	31	0.17	0.40	0.06	0.25

The accompanying notes on pages 13 to 53 are an integral part of these consolidated and separate financial statements.

**Buriram Sugar Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2016**

Consolidated financial statements										
	Notes			Retained earnings		Other components of Equity		Total owners of the parent	Non-controlling interests	Total
		Issued and paid-up share capital	Premium on ordinary shares	Appropriated Legal reserve	Unappropriated	Fair value reserve of available-for-sale investments				
		Baht	Baht	Baht	Baht	Baht	Baht			
<b>Opening balance as at 1 January 2016</b>		676,750,000	954,665,813	25,669,147	468,904,450	(408,912)	2,125,580,498	591,801	2,126,172,299	
Dividend paid	25	-	-	-	(148,885,000)	-	(148,885,000)	-	(148,885,000)	
Legal reserve	26	-	-	14,011,720	(14,011,720)	-	-	-	-	
Total comprehensive income for the year		-	-	-	114,821,027	424,163	115,245,190	238,966	115,484,156	
<b>Closing balance as at 31 December 2016</b>		<u>676,750,000</u>	<u>954,665,813</u>	<u>39,680,867</u>	<u>420,828,757</u>	<u>15,251</u>	<u>2,091,940,688</u>	<u>830,767</u>	<u>2,092,771,455</u>	
<b>Opening balance as at 1 January 2015</b>		676,750,000	954,665,813	18,096,416	338,971,884	(347,456)	1,988,136,657	267,960	1,988,404,617	
Dividend paid	25	-	-	-	(135,350,000)	-	(135,350,000)	(60,440)	(135,410,440)	
Legal reserve	26	-	-	7,572,731	(7,572,731)	-	-	-	-	
Increase in non-controlling interests		-	-	-	-	-	-	1,500	1,500	
Total comprehensive income for the year		-	-	-	272,855,297	(61,456)	272,793,841	382,781	273,176,622	
<b>Closing balance as at 31 December 2015</b>		<u>676,750,000</u>	<u>954,665,813</u>	<u>25,669,147</u>	<u>468,904,450</u>	<u>(408,912)</u>	<u>2,125,580,498</u>	<u>591,801</u>	<u>2,126,172,299</u>	

The accompanying notes on pages 13 to 53 are an integral part of these consolidated and separate financial statements.

**Buriram Sugar Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2016**

	Separate financial statements						
	Notes	Issued and Paid-up share capital Baht	Premium on ordinary shares Baht	Retained earnings		Other components of Equity	Total Baht
				Appropriated		Fair value reserve of available-for-sale investments	
				Legal reserve Baht	Unappropriated Baht	Baht	
<b>Opening balance as at 1 January 2016</b>		676,750,000	954,665,813	25,669,147	849,252,872	(408,912)	2,505,928,920
Dividend paid	25	-	-	-	(148,885,000)	-	(148,885,000)
Legal reserve	26	-	-	14,011,720	(14,011,720)	-	-
Total comprehensive income for the year		-	-	-	43,122,306	424,163	43,546,469
<b>Closing balance as at 31 December 2016</b>		<u>676,750,000</u>	<u>954,665,813</u>	<u>39,680,867</u>	<u>729,478,458</u>	<u>15,251</u>	<u>2,400,590,389</u>
<b>Opening balance as at 1 January 2015</b>		676,750,000	954,665,813	9,439,650	827,753,498	(347,456)	2,468,261,505
Dividend paid	25	-	-	-	(135,350,000)	-	(135,350,000)
Legal reserve	26	-	-	16,229,497	(16,229,497)	-	-
Total comprehensive income for the year		-	-	-	173,078,871	(61,456)	173,017,415
<b>Closing balance as at 31 December 2015</b>		<u>676,750,000</u>	<u>954,665,813</u>	<u>25,669,147</u>	<u>849,252,872</u>	<u>(408,912)</u>	<u>2,505,928,920</u>

The accompanying notes on pages 13 to 53 are an integral part of these consolidated and separate financial statements.

**Buriram Sugar Public Company Limited**

**Statements of Cash Flows**

**For the year ended 31 December 2016**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
		(Restated)	(Restated)		
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit before income tax expense		142,608,352	326,048,908	53,731,966	191,701,675
Adjustments to reconcile profit before income tax expense to net cash provided by operations:					
- Depreciation and amortisation	29	217,807,610	160,525,162	1,757,670	2,567,000
- Interest income	28	(47,224,855)	(24,707,039)	(179,199,606)	(163,170,588)
- Dividend income	28	(153,510)	(153,510)	-	(96,059,620)
- Allowance for doubtful accounts (Reversal)	10, 11	14,042,099	(29,018,371)	(1,666,096)	(30,456,578)
- Allowance for declining in value of inventories	12	4,349,522	1,084,254	-	-
- Losses on impairment of property plant and equipment	18	33,885,040	-	-	-
- (Gains) losses on disposals of property, plant and equipment		2,992,907	(6,764,172)	-	(502,489)
- Losses on write-off of property, plant and equipment		595,399	720,490	525,988	486,927
- Losses on disposals of investments		351,256	-	351,256	-
- Finance costs		176,701,185	125,488,835	76,918,283	60,016,574
- Employee benefit expenses	24	4,086,703	3,369,970	1,351,782	1,165,554
Cash flows before changes in operating assets and liabilities		550,041,708	556,594,527	(46,228,757)	(34,251,545)
Change in operating assets and liabilities					
- Trade and other receivables		(8,731,562)	71,873,710	119,697,594	187,957,821
- Farmer receivables		(287,311,198)	(167,398,130)	2,266,096	35,198,024
- Inventories		129,227,862	(105,749,748)	-	-
- Other current assets		460,399	24,662,936	1,516,391	7,786,750
- Other receivable-Office of the Cane and Sugar Fund		155,848,895	(155,848,895)	-	-
- Other non-current assets		(11,302,856)	(4,100,962)	(156,900)	-
- Trade and other payables		87,514,710	18,240,099	(133,705,737)	(103,252,413)
- Other current liabilities		(11,157,811)	(4,581,076)	2,212,630	(566,258)
- Employee benefit obligations		(2,401,975)	(300,080)	(1,309,150)	(91,080)
- Other non-current liabilities		856,000	-	-	-
Cash generated from (used in) operating activities		603,044,172	233,392,381	(55,707,833)	92,781,299
- Income tax paid		(31,486,942)	(35,937,078)	(17,217,382)	(12,065,659)
- Interest paid		(174,124,370)	(120,125,682)	(76,663,831)	(54,894,656)
Net cash generated from (used in) operating activities		397,432,860	77,329,621	(149,589,046)	25,820,984

The accompanying notes on pages 13 to 53 are an integral part of these consolidated and separate financial statements.

**Buriram Sugar Public Company Limited**

**Statements of Cash Flows**

**For the year ended 31 December 2016**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
		(Restated)	(Restated)		
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Interest received		47,224,855	24,707,039	182,737,807	159,654,370
Dividend received	28	153,510	153,510	-	-
Proceeds from long-term borrowings to subsidiaries		-	-	1,208,604,776	444,000,000
Proceeds from long-term borrowings to farmers	16	96,149,412	82,180,599	-	-
Payments on long-term borrowings to subsidiaries		-	-	(564,899,898)	(1,652,378,312)
Payments on long-term borrowings to farmers	16	(268,348,233)	(23,471,000)	-	-
Purchase of investment in subsidiaries		-	-	(164,999,000)	(9,999,500)
Proceeds from disposals of property, plant and equipment		1,901,682	19,393,014	-	8,275,430
Purchases of property, plant and equipment and intangible assets		(655,038,773)	(1,339,342,136)	(15,612,659)	(152,935)
Capitalised borrowing costs to property, plant and equipment		(20,233,007)	(35,340,141)	-	-
Net cash (used in) generated from investing activities		(798,190,554)	(1,271,719,115)	645,831,026	(1,050,600,947)
<b>Cash flows from financing activities</b>					
Proceeds from (repayments on) short-term borrowings from financial institutions	22	235,068,567	(724,342,529)	(354,262,833)	98,055,290
Proceeds from long-term borrowings from financial institutions and others	22	502,238,640	1,709,277,400	-	-
Proceeds from issuance of debentures	22	-	850,000,000	-	850,000,000
Repayments on long-term borrowings from financial institutions and others	22	(304,857,542)	(627,565,809)	-	-
Repayments on hire-purchase liabilities		(11,385,410)	(12,178,691)	(201,426)	(10,656)
Proceeds from issuance of ordinary shares from non-controlling interests		-	1,500	-	-
Dividend paid	25	(148,885,000)	(135,350,000)	(148,885,000)	(135,350,000)
Dividend paid to non-controlling interests		-	(60,440)	-	-
Net cash generated from (used in) financing activities		272,179,255	1,059,781,431	(503,349,259)	812,694,634
<b>Net decrease in cash and cash equivalents</b>		(128,578,439)	(134,608,063)	(7,107,279)	(212,085,329)
Opening balance		213,924,458	348,532,521	11,598,663	223,683,992
Closing balance		85,346,019	213,924,458	4,491,384	11,598,663
<b>Non-cash transactions</b>					
Purchases of property, plant and equipment under hire-purchase liabilities		12,484,227	16,990,862	1,231,209	-

The accompanying notes on pages 13 to 53 are an integral part of these consolidated and separate financial statements.

## **1 General information**

Buriram Sugar Public Company Limited (the “Company”) is a public limited company which is listed on the Stock Exchange of Thailand, limited company incorporated and resident in Thailand. The address of the Company’s registered offices are as follows:

Head office: Located at 237 moo 2, Tambol Hin Lek Fai, Amphur Kumueug, Buriram 31190.

The 1<sup>st</sup> Branch: Located at 128/77-78, 7<sup>th</sup> floor, Phayathai Plaza Building, Tungphayathai Ratchathewe Bangkok 10400.

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

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

- 1) Manufacturing and distribution of sugar and molasses
- 2) Trading agricultural products
- 3) Electricity generation and distribution
- 4) Other businesses

These Group consolidated financial statements were authorised for issue by the Board of Directors on 23 February 2017.

## **2 Financial status**

As at 31 December 2016, the Group and the Company have current liabilities greater than current assets of Baht 2,036.83 million and Baht 1,726.58 million, respectively. However, the Group is in the process of filing and request for an approval from the Securities and Exchange Commission for the Infrastructure Fund of Buriram Sugar Group (“The Fund”) which sells net revenue of power plant business of subsidiaries, Buriram Energy Co., Ltd. and Buriram Power Co., Ltd. The Group has expected to receive cash from selling the Fund unit approximately amount of Baht 3,717.00 million and to settle the current liabilities. Thus, the Group can continue its operations for a period of next 12 months from the date of this report. Also, the Group is able to comply with the current and future financial obligations. Therefore, these financial statements are prepared on the going concern basis.

## **3 Accounting policies**

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

### **3.1 Basis for preparation**

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 6.

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

**3 Accounting policies (Cont'd)**

**3.2 New/revised financial reporting standards, and related interpretations**

- a) New/revised financial reporting standards and interpretation which are effective on 1 January 2016 are as follows:

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income taxes
TAS 16 (revised 2015)	Property, plant and equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee benefits
TAS 20 (revised 2015)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 23 (revised 2015)	Borrowing costs
TAS 24 (revised 2015)	Related party disclosures
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 27 (revised 2015)	Separate financial statements
TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 29 (revised 2015)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 36 (revised 2015)	Impairment of assets
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TAS 41 (revised 2015)	Agriculture
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 4 (revised 2015)	Insurance contracts
TFRS 5 (revised 2015)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2015)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 11 (revised 2015)	Joint arrangements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement
TSIC 10 (revised 2015)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2015)	Service concession arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2015)	Intangible assets - Web site costs

**3 Accounting policies (Cont'd)**

**3.2 New/revised financial reporting standards, and related interpretations (Cont'd)**

- a) New/revised financial reporting standards and interpretation which are effective on 1 January 2016 are as follows: (Cont'd)

TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2015)	Applying the restatement approach under TAS29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 12 (revised 2015)	Service concession arrangements
TFRIC 13 (revised 2015)	Customer loyalty programmes
TFRIC 14 (revised 2015)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2015)	Agreements for the construction of real estate
TFRIC 17 (revised 2015)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2015)	Transfers of assets from customers
TFRIC 20 (revised 2015)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2015)	Levies

The Group has applied the aforementioned financial reporting standards from 1 January 2016. However, the application of those financial reporting standards has no significant impacts to the financial statements being presented.

- b) Revised financial reporting standards and interpretation which are for annual periods beginning on or after 1 January 2017 and the Group has not yet early adopted are as follows:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of cash flows
TAS 8 (revised 2016)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2016)	Events after the reporting period
TAS 11 (revised 2016)	Construction contracts
TAS 12 (revised 2016)	Income taxes
TAS 16 (revised 2016)	Property, plant and equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee benefits
TAS 20 (revised 2016)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2016)	The effects of changes in foreign exchange rates
TAS 23 (revised 2016)	Borrowing costs
TAS 24 (revised 2016)	Related party disclosures
TAS 26 (revised 2016)	Accounting and reporting by retirement benefit plans
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 29 (revised 2016)	Financial reporting in hyper-inflationary economies
TAS 33 (revised 2016)	Earnings per share
TAS 34 (revised 2016)	Interim financial reporting
TAS 36 (revised 2016)	Impairment of assets
TAS 37 (revised 2016)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2016)	Intangible assets
TAS 40 (revised 2016)	Investment property
TAS41(revised 2016)	Agriculture



**3 Accounting policies (Cont'd)**

**3.2 New/revised financial reporting standards, and related interpretations (Cont'd)**

- b) Revised financial reporting standards and interpretation which are for annual periods beginning on or after 1 January 2017 and the Group has not yet early adopted are as follows: (Cont'd)

TFRS 2 (revised 2016)	Share-based payment
TFRS 3 (revised 2016)	Business combinations
TFRS 4 (revised 2016)	Insurance contracts
TFRS 5 (revised 2016)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2016)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2016)	Operating segments
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements
TFRS 12 (revised 2016)	Disclosure of interests in other entities
TFRS 13 (revised 2016)	Fair value measurement
TSIC 10 (revised 2016)	Government Assistance - No specific relation to operating activities
TSIC 15 (revised 2016)	Operating leases - Incentives
TSIC 25 (revised 2016)	Income taxes - Changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2016)	Evaluating the substance of transactions in the legal form of a lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue - Barter transactions involving advertising services
TSIC 32 (revised 2016)	Intangible assets - Web site costs
TFRIC 1 (revised 2016)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2016)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2016)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2016)	Applying the restatement approach under TAS 29 Financial reporting in hyper-inflationary economies
TFRIC 10 (revised 2016)	Interim financial reporting and impairment
TFRIC 12 (revised 2016)	Service concession arrangements
TFRIC 13 (revised 2016)	Customer loyalty programmes
TFRIC 14 (revised 2016)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2016)	Agreements for the construction of real estate
TFRIC 17 (revised 2016)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2016)	Transfers of assets from customers
TFRIC 20 (revised 2016)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2016)	Levies
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

The Group will apply the aforementioned financial reporting standards from 1 January 2017. The Group's management assessed and determined that the application of those financial reporting standards has no significant impact to the financial statements being presented.

**3 Accounting policies (Cont'd)**

**3.3 Group accounting - Investments in subsidiaries**

**(1) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interest issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurements are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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

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

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's principal subsidiaries and the effect from the acquisition and disposal of subsidiaries have been disclosed in Note 14.

**(2) Transaction and non-controlling interests**

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

**(3) Disposal of subsidiaries**

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

### **3 Accounting policies (Cont'd)**

#### **3.4 Foreign currency translation**

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Baht, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

#### **3.5 Cash and cash equivalents**

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

#### **3.6 Trade and farmer receivables**

Trade receivables are recognised initially at the original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in profit or loss within administrative expense.

Farmer receivables are stated at the net realisable value. The Group has policy to set up allowance for doubtful accounts based on period of overdue balance, payment histories, collaterals and future expectations of customer payments. Allowance for doubtful accounts is provided in full amount (after deducting appraisal value of collateral). Bad debts are written off when incurred.

#### **3.7 Inventories**

Inventories are stated at the lower of cost or net realisable value. Cost of merchandise inventories, finished goods and factory supplies are determined by weighted average method.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

### **3 Accounting policies (Cont'd)**

#### **3.8 Other investments**

Investments other than investments in subsidiaries are classified into two categories: (1) available-for-sale investments and (2) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

(1) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

(2) Investments in non-marketable equity securities are classified as general investments.

All two categories of investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

#### **3.9 Property, plant and equipment**

Property, plant and equipment are initially recorded at cost and subsequently stated at historical cost less accumulated depreciation and allowance for impairment loss. Costs include directly attributable expenses in acquiring such asset.

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

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful life, as follows:

	<u>Years</u>
Land improvement	10 - 30 years
Building and building improvement	5 - 40 years
Machinery and tools	5 - 30 years
Agriculture equipment and tools	5 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 - 10 years

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

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in profit or loss.

**3 Accounting policies (Cont'd)**

**3.10 Intangible assets**

**3.10.1 Computer software**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Amortisation is calculated using the straight-line method over their useful life of 5 years.

**3.10.2 Right to use of assets**

Expenditure on right to use of assets which are transmission lines is capitalised and amortised using the straight-line method over their useful life of 20 years.

**3.11 Impairment of assets**

Assets that have an indefinite useful life, for example trademark and licences, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset or the lease term.

**3.13 Leases - where the Group is the lessor**

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

### **3 Accounting policies (Cont'd)**

#### **3.14 Borrowings**

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

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

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

##### **3.14.1 Borrowings costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Borrowing costs comprise:

- Interest arising from long-term borrowings including related tax
- Amortisation of transaction costs

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### **3.15 Current and deferred income tax**

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### **3 Accounting policies (Cont'd)**

#### **3.16 Employee benefits**

The Group operate various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act. B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that have terms to maturity approximating to the terms of the related pension liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, and others.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

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

#### **3.17 Provisions**

Provisions (excluding employee benefits) are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### **3.18 Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the compensation of costs are deferred and recognised in profit or loss over the period necessary to match them with the costs they are intended to compensate.

### **3 Accounting policies (Cont'd)**

#### **3.19 Revenue recognition**

##### ***Sale of goods and services rendered***

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of rebates and discounts, and after eliminating sales within the Group. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Service income is recognised as services are provided.

##### ***Interest and dividend income***

Interest income is recognised using the effective interest method. Dividends are recognised when the right to receive payment is established.

##### ***Other income***

Other income is recognised in the statement of comprehensive income on an accrual basis.

#### **3.20 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

#### **3.21 Segment reporting**

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

Segment information is presented in respect of the Group's business segments which is based on the Group's management and internal reporting structure (See more information in Note 8).

### **4 Financial risk management**

#### **4.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including, exchange rate risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

##### **4.1.1 Foreign exchange risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The Group has entered into foreign currency forward contracts to mitigate risk from exchange rate fluctuation.

##### **4.1.2 Interest rate risk**

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Finance Director before execution. The Group has no significant interest-bearing assets. The Group is able to raise long-term borrowings at floating rates.

##### **4.1.3 Credit risk**

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high-credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

##### **4.1.4 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding and the ability to manage risk. Due to the dynamic nature of the underlying business, the Group's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.



#### **4 Financial risk management (Cont'd)**

##### **4.2 Pricing risk factors regarding raw materials and products**

###### **4.2.1 Sugar cane and sugar prices fluctuation risk**

The Group has a fluctuation risk from sugar cane and sugar prices. The sugar cane and sugar industry in Thailand is an industry under the supervision of a government agency, the Cane and Sugar Board, under the Cane and Sugar Act B.E. 2527, which imposes the following restrictions:

1. A quota system for the allocation of sugar distribution channels, as follows:
  - 1.1 Quota A for the sugar produced for domestic consumption,
  - 1.2 Quota B for the raw sugar identified by the Cane and Sugar Board as for processing by sugar mills for delivery to Thailand Cane and Sugar Corporation ("TCSC") for distribution. This quota is used as a base for setting the standard price of raw sugar exports to calculate the income of the system,
  - 1.3 Quota C for the sugar processed by sugar mills for export sales or as raw materials for the manufacture of products to be exported.
2. Allocation of net income generated by the system between the cane farmers and the sugar mills under a benefit sharing arrangement, whereby cane farmers receive 70% of the income, which is the cane price, and the sugar mills receive 30%, which is the return on production.

The net income of the cane and sugar system is calculated based on the income from the domestic sugar distribution (Quota A) and income from exports (Quota B and Quota C: using the average price of the sugar in Quota B and the exchange rate of the actual sales made by TCSC as the base for calculation of export sales income) less the expenses of the Cane and Sugar Industry. Currently, the ratio of exported sugar to domestically sold sugar is approximately 70:30.

##### **4.3 Accounting for derivative financial instruments**

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts. Such instruments are not recognised in the financial statements on inception. Gain or loss is recognised in the statement of comprehensive income when the contracts are settled or expired.

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses on the derivative instruments which relate to borrowings are offset for financial reporting purposes and are recognised as finance costs in the income statement, whereas the gains and losses on the derivative instruments which relate to trading business are offset for financial reporting purposes and are recognised as other income - net in the income statement.

##### **4.4 Fair value estimation**

Analysis of financial instruments carried at fair value, by valuation method, the different levels have been defined as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 : Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

## 5 Changes in presentation

### Changes in presentation

Certain amounts in the statements of financial position as at 31 December 2015 and 1 January 2015 have been reclassified to conform to the current year's classification but without effect to previously reported profit (loss) or shareholders' equity. The reclassifications are as follows:

	(Unit : Baht)			
	Consolidated financial statements			
	As at 31 December 2015		As at 1 January 2015	
	As reclassified	As previously reported	As reclassified	As previously reported
Trade and other receivables, net	221,160,556	227,944,568	293,034,267	302,873,569
Farmer receivables, net	701,900,883	908,499,263	505,484,382	770,792,360
Current portion of long-term borrowings to farmers	96,149,413	-	82,180,598	-
Long-term borrowings to farmers	110,448,967	-	183,127,380	-
Deferred tax assets, net	211,129,582	201,974,349	221,097,174	211,382,601
Short-term borrowings from financial institutions	1,475,176,244	1,481,960,256	2,165,091,347	2,174,930,649
Deferred tax liabilities, net	9,155,233	-	9,714,573	-
Current portion of employee benefit obligations	6,645,665	-	1,381,380	-
Employee benefit obligations, net	26,147,625	32,793,290	29,455,662	30,837,042

	(Unit : Baht)			
	Separate financial statements			
	As at 31 December 2015		As at 1 January 2015	
	As reclassified	As previously reported	As reclassified	As previously reported
Trade and other receivables, net	156,982,032	163,766,044	245,364,016	255,203,318
Short-term borrowings from financial institutions	1,358,215,988	1,365,000,000	1,260,160,698	1,270,000,000
Current portion of employee benefit obligations	2,991,329	-	526,847	-
Employee benefit obligations, net	8,978,121	11,969,450	11,221,752	11,748,599

## 6 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 6.1 Allowance for doubtful accounts of trade receivables and farmer receivables

In determining an allowance for doubtful accounts, management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts, collaterals and the prevailing economic condition.

The Group has policy to set up allowance for doubtful accounts based on period of overdue balance. Allowance for doubtful accounts is provided in full amount (after deducting appraisal value of collaterals).

### 6.2 Property, plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's Property, plant and equipment and intangible assets. Management will revise the depreciation or amortisation charge where useful lives and residual values are different to the previously estimation, or it will write off or write down technically obsolete or assets that have been abandoned or sold. The Group reviews for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

**6 Critical accounting estimates, assumptions and judgements (Cont'd)**

**6.3 Provision for employee benefits**

The present value of the provision for employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions including discount rate, salary increasing rate, dead rate, and turnover rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefits obligations. In determining the appropriate discount rate, the Group considers the interest rate of government bonds that have terms to maturity approximating the terms of the related employee benefits liability.

Additional information of other key assumptions for the provision for employee benefits are disclosed in Note 24.

**6.4 Raw material costs**

The Group purchased sugar cane for the production season 2016/2017 using the initial sugar cane price which was announced by the Cane and Sugar Board's on 30 November 2016 adjusted by sweetness of sugar cane purchased to recognise raw materials and payables for the production season 2016/2017. As at the audit report date, the Cane and Sugar Board has not announced the final price of sugar cane for the production season 2016/2017 yet since the production season is not ended.

**7 Capital risk management**

The Group's objectives of capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

**8 Operating segments**

Reporting segment is referred from internal report of the Group which is reviewed by Chief Operating Decision Maker (CODM). CODM is Chief Executive Officer who makes decisions about resource allocation and assesses the segment performance.

Chief Operating Decision Maker considers the reporting segment as below:

- Manufacturing and distribution of sugar and molasses
- Trading agricultural products
- Electricity generation and distribution
- Other businesses

Chief Operating Decision Maker considers performance of reporting segments from profit from operating segments.

The accounting policies for the operating segments are in accordance with the summaries of accounting policies above. Unallocated costs mainly represent corporate expenses.

**Geographic information**

The Group's revenue from sales external customers approximately 50.14 % is mostly the local sales. Revenue attributed to foreign counties are mainly from countries in Asia Pacific. In addition, most non-current assets of the Group are located in Thailand.

**Major customer**

The Group has no revenue from sales transactions with a single external customer that amounts to 10% or more of the Group's revenue. Therefore, the Group does not present the information about major customers.

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**8 Operating segments (Cont'd)**

Operating segments of the Group are as follows:

**For the year ended 31 December**

Unit : Million Baht

	Sugar and Molasses business		Trading agriculture products		Electricity generation and distribution		Others		Total		Eliminated entries		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue from sales and services														
- Local	1,538	1,423	628	755	529	489	150	153	2,845	2,820	(549)	(688)	2,296	2,132
- Overseas	2,283	2,094	-	-	-	-	-	-	2,283	2,094	-	-	2,283	2,094
<b>Total</b>	<b>3,821</b>	<b>3,517</b>	<b>628</b>	<b>755</b>	<b>529</b>	<b>489</b>	<b>150</b>	<b>153</b>	<b>5,128</b>	<b>4,914</b>	<b>(549)</b>	<b>(688)</b>	<b>4,579</b>	<b>4,226</b>
Profit from operating segments	420	558	83	88	154	147	16	14	673	807	87	98	760	905
Administrative and selling expenses													(441)	(454)
Finance costs													(177)	(125)
Income tax expense													(29)	(54)
<b>Net profit for the year</b>													<b>113</b>	<b>272</b>
<b>As at 31 December</b>														
Inventories, net	508	593	73	125	5	10	-	-	586	728	(4)	(13)	582	715
Property, plant and equipment, net	2,828	2,624	111	120	1,746	1,525	16	12	4,701	4,281	(16)	(16)	4,685	4,265
Other assets, net	1,843	1,804	588	483	424	1,030	4,278	4,879	7,133	8,196	(5,173)	(6,412)	1,960	1,784
<b>Total assets</b>	<b>5,179</b>	<b>5,021</b>	<b>772</b>	<b>728</b>	<b>2,175</b>	<b>2,565</b>	<b>4,294</b>	<b>4,891</b>	<b>12,420</b>	<b>13,205</b>	<b>(5,193)</b>	<b>(6,441)</b>	<b>7,227</b>	<b>6,764</b>

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**9 Cash and cash equivalents**

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash on hand	410,000	400,000	80,000	70,000
Deposits held at call with banks	84,936,019	213,524,458	4,411,384	11,528,663
	<u>85,346,019</u>	<u>213,924,458</u>	<u>4,491,384</u>	<u>11,598,663</u>

As at 31 December 2016, the weighted average effective interest rate of deposits held at call with banks was 0.38 % per annum (2015 : 0.40% per annum).

**10 Trade and other receivables, net**

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
<u>Trade receivables - third parties, net</u>				
Current	46,475,415	69,405,952	-	-
Overdue:				
Up to 3 months	1,394,207	8,553,512	-	-
Over 3 months less than 12 months	13,757,766	4,232,270	-	-
Over 12 months	10,222,565	8,594,383	8,250,423	8,250,423
	71,849,953	90,786,117	8,250,423	8,250,423
<u>Less</u> Allowance for doubtful accounts	(23,146,976)	(8,250,423)	(8,250,423)	(8,250,423)
	<u>48,702,977</u>	<u>82,535,694</u>	<u>-</u>	<u>-</u>
<u>Trade receivables - related parties</u>				
Current	12,111,434	6,669,397	5,249,872	10,171,741
Overdue:				
Up to 3 months	589,807	491,248	-	2,268,894
Over 3 months less than 12 months	32,808	168,333	-	6,064,760
Over 12 months	-	200,680	-	6,685,360
	<u>12,734,049</u>	<u>7,529,658</u>	<u>5,249,872</u>	<u>25,190,755</u>
<u>Other receivables</u>				
Advance payments	1,791,159	2,838,224	179,698	1,269,116
Prepaid expenses	112,184,055	95,849,873	1,447,338	2,840,005
Accrued income - third parties	36,126,351	32,407,107	-	-
Accrued income - related parties	3,456,974	-	-	-
Accrued interest income - related parties	-	-	25,785,329	29,323,530
Accrued dividend income - related parties	-	-	-	98,309,530
Other receivables - third parties	-	-	-	49,096
Other receivables - related parties	-	-	1,084,000	-
	<u>153,558,539</u>	<u>131,095,204</u>	<u>28,496,365</u>	<u>131,791,277</u>
Total trade and other receivables, net	<u>214,995,565</u>	<u>221,160,556</u>	<u>33,746,237</u>	<u>156,982,032</u>

**11 Farmer receivables, net**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Farmer receivables	1,069,923,413	782,612,215	84,235,373	86,501,469
<u>Less</u> Allowance for doubtful accounts	<u>(79,856,878)</u>	<u>(80,711,332)</u>	<u>(73,935,373)</u>	<u>(75,601,469)</u>
	<u>990,066,535</u>	<u>701,900,883</u>	<u>10,300,000</u>	<u>10,900,000</u>

Outstanding farmer receivables can be analysed as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Season 2017/2018	330,475,436	-	-	-
Season 2016/2017	585,507,302	121,473,090	-	-
Season 2015/2016	39,866,684	526,841,927	-	-
Season 2014/2015	24,292,941	40,879,597	-	-
Season 2013/2014	3,330,282	4,486,709	-	-
Season 2012/2013	1,221,331	1,339,364	-	-
Season 2011/2012	994,064	1,090,059	-	-
Before season 2011/2012	84,235,373	86,501,469	84,235,373	86,501,469
	1,069,923,413	782,612,215	84,235,373	86,501,469
<u>Less</u> Allowance for doubtful accounts	<u>(79,856,878)</u>	<u>(80,711,332)</u>	<u>(73,935,373)</u>	<u>(75,601,469)</u>
	<u>990,066,535</u>	<u>701,900,883</u>	<u>10,300,000</u>	<u>10,900,000</u>

Outstanding farmer receivables - related parties can be analysed as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Season 2017/2018	109,815	-	-	-
Season 2016/2017	1,966,692	18,217	-	-
Season 2015/2016	-	2,551,516	-	-
	<u>2,076,507</u>	<u>2,569,733</u>	<u>-</u>	<u>-</u>

**12 Inventories, net**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Raw materials	22,560,685	37,196,022	-	-
Finished goods	471,554,404	574,317,732	-	-
Merchandise inventories	38,475,748	63,484,999	-	-
Work in process	8,832,622	4,670,201	-	-
Factory supplies	46,311,257	37,293,624	-	-
	<u>587,734,716</u>	<u>716,962,578</u>	-	-
<u>Less</u> Allowance for obsolete and damaged inventories				
- Raw materials	(823,450)	-	-	-
- Finished goods	-	(1,326,140)	-	-
- Merchandise inventories	(1,445,260)	-	-	-
- Work in process	(3,480,569)	-	-	-
- Factory supplies	(355,924)	(429,541)	-	-
	<u>(6,105,203)</u>	<u>(1,755,681)</u>	-	-
	<u>581,629,513</u>	<u>715,206,897</u>	-	-

The cost of inventories recognised as expenses and included in 'cost of sales' amounting to Baht 3,519.55 million (2015 : Baht 3,082.10 million).

**13 Other current assets**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Revenue department receivable	5,018,992	-	-	-
Refundable input VAT	32,798,062	32,041,376	7,772,496	207,913
Undued input VAT	5,515,473	12,636,421	40,679	8,964,753
Others	4,912,555	4,027,684	145,334	302,234
	<u>48,245,082</u>	<u>48,705,481</u>	<u>7,958,509</u>	<u>9,474,900</u>

**14 Investment in subsidiaries**

The movements of investment in subsidiaries for the years ended 31 December 2016 and 2015 are as follows:

	<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>
Beginning balance	1,280,477,600	1,270,478,100
Acquisitions	164,999,000	9,999,500
Ending balance	<u>1,445,476,600</u>	<u>1,280,477,600</u>

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**14 Investment in subsidiaries (Cont'd)**

The details of investment in subsidiaries which are located in Thailand as presented in the Company financial statements are as follows:

Company's	Issued and paid-up share capital		% Ownership interest		Cost method		Dividend income	
	2016	2015	2016	2015	2016	2015	2016	2015
	Million Baht	Million Baht	Percentage	Percentage	Million Baht	Million Baht	Million Baht	Million Baht
Buriram Sugar Factory Co., Ltd.	1,050	1,050	99.90	99.90	1,049	1,049	-	63
Buriram Sugarcane Research and Development Co., Ltd.	71	71	99.99	99.99	70	70	-	-
Buriram Energy Co., Ltd. and a subsidiary	136	136	99.99	99.99	136	136	-	27
Buriram Power Co., Ltd.	170	170	99.99	99.99	-	-	-	-
Buriram Power Plus Co., Ltd.	160	10	99.99	99.99	160	-	-	-
Chamni Sugar Factory Co., Ltd. (Formerly named Buriram Super Power Co., Ltd.)	5	5	99.99	99.99	5	-	-	-
Key brand Fertilizer Co., Ltd.	15	15	99.99	99.99	15	15	-	6
Buriram Sugar Capital Co., Ltd. (Formerly named Buriram Agro Energy Co., Ltd.)	10	10	99.99	99.99	10	10	-	-
Total investment in subsidiaries					1,445	1,280	-	96

Changes of investment in subsidiaries for the year ended 31 December 2016 comprises of:

**Buriram Power Plus Co., Ltd.**

At the Extraordinary Shareholders' Meeting no. 1/2016 of Buriram Power Plus Co., Ltd. held on 7 April 2016, the shareholders passed a resolution to increase in the registered capital according to the results of the Board of Director Meeting No. 2/2016 of Buriram Power Plus Co., Ltd. held on 21 March 2016 by increasing in the registered capital from 100,000 ordinary shares to 1,600,000 ordinary shares at a par value of Baht 100 per share. The Company registered the increased share capital with the Ministry of Commerce on 7 April 2016.

At the Company's Board of Director Meeting No. 3/2016 held on 29 March 2016, Board of Director approved to purchase ordinary shares of Buriram Power Plus Co., Ltd. amount of 99,994 shares from Buriram Energy Co., Ltd. at par value of Baht 100 each totaling Baht 9,999,400 which had fully paid-up amount. Buriram Power Plus Co., Ltd. registered its change in share capital with the Ministry of Commerce on 20 April 2016.

At the Company's Board of Director Meeting No. 3/2016 held on 29 March 2016, Board of Director approved to purchase ordinary shares of Buriram Power Plus Co., Ltd. amount of 1,500,000 shares at par value of Baht 100 each totaling Baht 150,000,000 which had fully paid-up amount. Buriram Power Plus Co., Ltd. registered its change in share capital with the Ministry of Commerce on 7 April 2016.

At the Company's Board of Director Meeting No. 2/2016 held on 16 March 2016, Board of Director approved to purchase ordinary shares of Buriram Power Plus Co., Ltd. amount of 1 share at par value of Baht 100 each totaling Baht 100 which had fully paid-up amount. Buriram Power Plus Co., Ltd. registered its change in share capital with the Ministry of Commerce on 7 April 2016.

**Buriram Super Power Co., Ltd.**

At the Extraordinary General Meeting of Shareholders No.2/2559 of Buriram Super Power Co., Ltd. held on 28 October 2016, the shareholders approved to change the Company's name of Buriram Super Power Co., Ltd. Buriram Super Power Co., Ltd. was registered to change its name to be Chamni Sugar Factory Co., Ltd with the Ministry of Commerce on 28 October 2016.

At the Board of Director Meeting No. 3/2016 held on 29 March 2016, Board of Director approved to purchase ordinary shares of Buriram Super Power Co., Ltd. from Buriram Energy Co., Ltd. amount of 49,995 shares at par value of Baht 100 each totaling Baht 4,999,500 which had fully paid-up amount. Buriram Super Power Co., Ltd. registered its change in share capital with the Ministry of Commerce on 20 April 2016.

**Buriram Agro Energy Co., Ltd.**

At the Extraordinary General Meeting of Shareholders No.2/2559 of Buriram Agro Energy Co., Ltd. held on 28 October 2016, the shareholders approved to change the Company's name of Buriram Agro Energy Co., Ltd. Buriram Agro Energy Co., Ltd. was registered to change its name to be Buriram Sugar Capital Co., Ltd. with the Ministry of Commerce on 28 October 2016.



**15 Other long-term investments, net**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Marketable equity securities - available-for sales	566,720	570,520	566,720	570,520
Increase (decrease) in fair value of AFS Investments	19,064	(76,820)	19,064	(76,820)
	<u>585,784</u>	<u>493,700</u>	<u>585,784</u>	<u>493,700</u>
General investments - equity securities	1,409,950	1,409,950	2,175	2,175
<b>Other long-term investments, net</b>	<u>1,995,734</u>	<u>1,903,650</u>	<u>587,959</u>	<u>495,875</u>

The movements of other long-term investments for the year ended 31 December 2016 are as follows:

	<b>Consolidated financial statements</b>		
	<b>General investments Baht</b>	<b>Available-for-sale securities Baht</b>	<b>Total Baht</b>
Opening net book amount	1,409,950	493,700	1,903,650
Additions	-	566,720	566,720
Disposals	-	(566,720)	(566,720)
Increase in fair value of AFS Investments	-	92,084	92,084
Closing net book amount	<u>1,409,950</u>	<u>585,784</u>	<u>1,995,734</u>

  

	<b>Separate financial statements</b>		
	<b>General investments Baht</b>	<b>Available-for-sale securities Baht</b>	<b>Total Baht</b>
Opening net book amount	2,175	493,700	495,875
Additions	-	566,720	566,720
Disposals	-	(566,720)	(566,720)
Increase in fair value of AFS Investments	-	92,084	92,084
Closing net book amount	<u>2,175</u>	<u>585,784</u>	<u>587,959</u>

The fair value of available-for-sales investments is based on quoted bid price on the statement of financial position date by reference to the Stock Exchange of Thailand. This is a level 1 fair value measurement.

**16 Long-term borrowings to farmers, net**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
- Current portion of long-term borrowings to farmers	175,765,724	96,149,413	-	-
- Long-term borrowings to farmers, net	203,031,477	110,448,967	-	-
	<b>378,797,201</b>	<b>206,598,380</b>	<b>-</b>	<b>-</b>

The movements of long-term borrowings to farmer are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Opening balance	206,598,380	265,307,979	-	-
Additions	268,348,233	23,471,000	-	-
Repayments received	(96,149,412)	(82,180,599)	-	-
Ending balance	<b>378,797,201</b>	<b>206,598,380</b>	<b>-</b>	<b>-</b>

As at 31 December 2016, interest rates for long-term borrowings to farmers were between 7.02% and 7.15% per annum (2015: 7.15% - 7.25% per annum).

**17 Other receivable - Office of the Cane and Sugar Fund**

Office of the Cane and Sugar Fund receivable is a compensation, which the Group expects to be received from the Office of the Cane and Sugar Fund. Since the Group management expects that the final cane price and the final return on production and distribution of the production season 2014/2015 will be lower than the initial price, the difference will be paid in accordance with Section 56 of the Cane and Sugar Act B.E. 2527. Vice versa, no repayment is required by the farmer.

The Group has recognised such receivable based on the final cane price and the final return on production and distribution of the production season 2014/2015 that was approved by the Cane and Sugar Commission on 20 January 2016. This is a level 2 fair value measurement.

The Group received the whole compensation due to the final cane price and the final return on production and distribution of the production season 2014/2015 from Office of the Cane and Sugar Fund on 20 June 2016 amounting to Baht 155.85 million.

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2016**

**18 Property, plant and equipment, net**

	Consolidated financial statements							
	Land and land improvement Baht	Building and building improvement Baht	Machinery and tools Baht	Tools and agriculture equipment Baht	Furniture, fixtures and office equipment Baht	Motor vehicles Baht	Assets under installment and construction Baht	Total Baht
<b>As at 1 January 2015</b>								
Cost	98,159,502	467,240,061	1,078,990,842	41,589,316	61,202,103	111,498,513	1,577,811,893	3,436,492,230
<u>Less</u> Accumulated depreciation	-	(47,238,995)	(244,288,037)	(13,116,609)	(21,442,069)	(58,409,135)	-	(384,494,845)
Net book amount	<u>98,159,502</u>	<u>420,001,066</u>	<u>834,702,805</u>	<u>28,472,707</u>	<u>39,760,034</u>	<u>53,089,378</u>	<u>1,577,811,893</u>	<u>3,051,997,385</u>
<b>For the year ended 31 December 2015</b>								
Opening net book amount	98,159,502	420,001,066	834,702,805	28,472,707	39,760,034	53,089,378	1,577,811,893	3,051,997,385
Additions	23,392,183	3,501,094	33,286,624	16,257,682	10,182,227	19,185,615	1,287,837,940	1,393,643,365
Transfer in (out)	18,726,888	395,736,595	1,223,063,142	11,216,336	49,691,280	-	(1,698,434,241)	-
Disposals, net	(1,679,141)	-	(4,702,271)	-	(3,101,190)	(539,498)	-	(10,022,100)
Write-off, net	-	(2,844,183)	(133,697)	(420,475)	(328,877)	(69,726)	(4,862,209)	(8,659,167)
Reclassification, net	13,561,894	(13,561,894)	-	-	(3,450,575)	-	-	(3,450,575)
Depreciation charges	(1,747,228)	(31,349,339)	(90,463,052)	(10,942,032)	(15,087,976)	(9,329,977)	-	(158,919,604)
Closing net book amount	<u>150,414,098</u>	<u>771,483,339</u>	<u>1,995,753,551</u>	<u>44,584,218</u>	<u>77,664,923</u>	<u>62,335,792</u>	<u>1,162,353,383</u>	<u>4,264,589,304</u>
<b>As at 31 December 2015</b>								
Cost	153,045,203	848,602,372	2,325,607,950	67,971,654	109,416,472	115,963,679	1,162,353,383	4,782,960,713
<u>Less</u> Accumulated depreciation	(2,631,105)	(77,119,033)	(329,854,399)	(23,387,436)	(31,751,549)	(53,627,887)	-	(518,371,409)
Net book amount	<u>150,414,098</u>	<u>771,483,339</u>	<u>1,995,753,551</u>	<u>44,584,218</u>	<u>77,664,923</u>	<u>62,335,792</u>	<u>1,162,353,383</u>	<u>4,264,589,304</u>
<b>For the year ended 31 December 2016</b>								
Opening net book amount	150,414,098	771,483,339	1,995,753,551	44,584,218	77,664,923	62,335,792	1,162,353,383	4,264,589,304
Additions	40,279,689	2,098,565	46,390,762	6,384,335	13,506,145	12,873,173	554,933,226	676,465,895
Transfer in (out)	48,342,462	219,007,846	1,331,533,154	14,845,761	15,276,331	-	(1,629,005,554)	-
Disposals, net	(1,175,717)	-	(969,674)	-	-	(4,700,615)	-	(6,846,006)
Write-off, net	-	-	-	(46,330)	(23,081)	(525,989)	-	(595,400)
Impairment	-	-	(33,202,236)	-	-	-	(682,804)	(33,885,040)
Reclassification, net	(883,876)	(8,306,256)	61,313,616	(3,095,402)	(48,724,931)	-	-	303,151
Depreciation charges	(3,086,159)	(36,048,231)	(140,732,006)	(13,584,424)	(12,398,829)	(9,555,289)	-	(215,404,938)
Closing net book amount	<u>233,890,497</u>	<u>948,235,263</u>	<u>3,260,087,167</u>	<u>49,088,158</u>	<u>45,300,558</u>	<u>60,427,072</u>	<u>87,598,251</u>	<u>4,684,626,966</u>
<b>As at 31 December 2016</b>								
Cost	240,491,636	1,058,908,805	3,773,270,451	85,236,934	81,085,501	115,335,010	88,281,055	5,442,609,392
<u>Less</u> Impairment	-	-	(33,202,236)	-	-	-	(682,804)	(33,885,040)
Accumulated depreciation	(6,601,139)	(110,673,542)	(479,981,048)	(36,148,776)	(35,784,943)	(54,907,938)	-	(724,097,386)
Net book amount	<u>233,890,497</u>	<u>948,235,263</u>	<u>3,260,087,167</u>	<u>49,088,158</u>	<u>45,300,558</u>	<u>60,427,072</u>	<u>87,598,251</u>	<u>4,684,626,966</u>

**Buriram Sugar Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2016**

**18 Property, plant and equipment, net (Cont'd)**

As at 31 December 2016, hire-purchase liabilities included in property, plant and equipment at the net book value of Baht 57.78 million (2015: Baht 47.44 million).

As at 31 December 2016, the Group has building and equipment which are fully depreciated but still in use with costs value of Baht 35.95 million (2015: Baht 26.20 million).

As at 31 December 2016, property, plant, and equipment at the net book value of Baht 1,967.38 million are pledged as collaterals for long-term borrowings from financial institutions (2015: Baht 2,095.77 million) (Note 22).

As at 31 December 2016, Borrowing costs of Baht 20.24 million (2015: Baht 35.34 million) arising from financing specifically entered into for the construction of a new factory and machinery, were capitalised during the year and are included in 'Additions' with capitalisation rate of 5.78% - 5.90% (2015: 5.90% - 6.75%).

During the year ended 31 December 2016, machinery and tools in the consolidated financial statements have an impairment amounting to Baht 33.20 million. The management hired an independent value to measure the assets by using market value method. This is a level 2 fair value measurement. Since the assets were damaged from the production process, therefore, net realisable value has been decreased from net book value.

	Separate financial statements					Total Baht
	Building and building improvement Baht	Machinery and tools Baht	Furniture, fixtures and office equipment Baht	Motor vehicles Baht	Constructions in progress Baht	
<b>As at 1 January 2015</b>						
Cost	14,704,574	9,732,658	8,636,860	35,822,015	-	68,896,107
<u>Less</u> Accumulated depreciation	<u>(7,832,971)</u>	<u>(4,330,376)</u>	<u>(3,679,269)</u>	<u>(30,814,708)</u>	-	<u>(46,657,324)</u>
Net book amount	<u>6,871,603</u>	<u>5,402,282</u>	<u>4,957,591</u>	<u>5,007,307</u>	-	<u>22,238,783</u>
<b>For the year ended 31 December 2015</b>						
Opening net book amount	6,871,603	5,402,282	4,957,591	5,007,307	-	22,238,783
Additions	86,070	-	580,883	-	-	666,953
Disposals, net	-	(4,702,271)	(3,101,190)	(539,497)	-	(8,342,958)
Write-off, net	(48,838)	(133,697)	(178,666)	(69,726)	-	(430,927)
Depreciation charges	<u>(261,256)</u>	<u>(566,314)</u>	<u>(781,973)</u>	<u>(957,457)</u>	-	<u>(2,567,000)</u>
Closing net book amount	<u>6,647,579</u>	-	<u>1,476,645</u>	<u>3,440,627</u>	-	<u>11,564,851</u>
<b>As at 31 December 2015</b>						
Cost	14,737,764	-	2,525,978	28,110,913	-	45,374,655
<u>Less</u> Accumulated depreciation	<u>(8,090,185)</u>	-	<u>(1,049,333)</u>	<u>(24,670,286)</u>	-	<u>(33,809,804)</u>
Net book amount	<u>6,647,579</u>	-	<u>1,476,645</u>	<u>3,440,627</u>	-	<u>11,564,851</u>
<b>For the year ended 31 December 2016</b>						
Opening net book amount	6,647,579	-	1,476,645	3,440,627	-	11,564,851
Additions	-	-	4,175,153	2,132,224	69,840	6,377,217
Write-off, net	-	-	-	(525,989)	-	(525,989)
Reclassification, net	-	-	(56,814)	-	-	(56,814)
Depreciation charges	<u>(262,245)</u>	-	<u>(658,908)</u>	<u>(804,111)</u>	-	<u>(1,725,264)</u>
Closing net book amount	<u>6,385,334</u>	-	<u>4,936,076</u>	<u>4,242,751</u>	<u>69,840</u>	<u>15,634,001</u>
<b>As at 31 December 2016</b>						
Cost	14,737,764	-	6,000,671	24,534,077	69,840	45,342,352
<u>Less</u> Accumulated depreciation	<u>(8,352,430)</u>	-	<u>(1,064,595)</u>	<u>(20,291,326)</u>	-	<u>(29,708,351)</u>
Net book amount	<u>6,385,334</u>	-	<u>4,936,076</u>	<u>4,242,751</u>	<u>69,840</u>	<u>15,634,001</u>

As at 31 December 2016, hire-purchase liabilities included in property, plant and equipment at the net book value of Baht 1.48 million (2015: Nil).

As at 31 December 2016, property and equipment which are fully depreciated but still in use with costs value of Baht 12.83 million (2015: Baht 16.84 million).

**18 Property, plant and equipment, net (Cont'd)**

Depreciation charge for the years ended 31 December 2016 and 2015 is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Depreciation charge for property, plant and equipment				
- Cost of sales	192,647,937	137,058,018	-	-
- Administrative expenses	22,757,001	21,861,586	1,725,264	2,567,000
	<u>215,404,938</u>	<u>158,919,604</u>	<u>1,725,264</u>	<u>2,567,000</u>

**19 Intangible asset, net**

	Consolidated financial statements			
	Computer software Baht	Right to use assets Baht	Right to use assets under construction Baht	Total Baht
<b>As at 1 January 2015</b>				
Cost	-	-	12,008,156	12,008,156
<u>Less</u> Accumulated amortisation	-	-	-	-
Net book amount	-	-	12,008,156	12,008,156
<b>For the year ended 31 December 2015</b>				
Opening net book amount	-	-	12,008,156	12,008,156
Additions	2,802,540	-	559,168	3,361,708
Transfer in (out)	-	12,567,324	(12,567,324)	-
Reclassification, net	3,450,575	-	-	3,450,575
Amortisation charge	(1,144,182)	(461,376)	-	(1,605,558)
Closing net book amount	<u>5,108,933</u>	<u>12,105,948</u>	-	<u>17,214,881</u>
<b>As at 31 December 2015</b>				
Cost	6,935,790	12,567,324	-	19,503,114
<u>Less</u> Accumulated amortisation	(1,826,857)	(461,376)	-	(2,288,233)
Net book amount	<u>5,108,933</u>	<u>12,105,948</u>	-	<u>17,214,881</u>
<b>For the year ended 31 December 2016</b>				
Opening net book amount	5,108,933	12,105,948	-	17,214,881
Additions	3,310,581	-	9,986,625	13,297,206
Reclassification, net	(303,151)	-	-	(303,151)
Amortisation charge	(1,828,693)	(629,656)	-	(2,458,349)
Closing net book amount	<u>6,287,670</u>	<u>11,476,292</u>	<u>9,986,625</u>	<u>27,750,587</u>
<b>As at 31 December 2016</b>				
Cost	10,582,965	12,567,324	9,986,625	33,136,914
<u>Less</u> Accumulated amortisation	(4,295,295)	(1,091,032)	-	(5,386,327)
Net book amount	<u>6,287,670</u>	<u>11,476,292</u>	<u>9,986,625</u>	<u>27,750,587</u>

**19 Intangible asset, net (Cont'd)**

	<b>Separate financial statements</b>			<b>Total Baht</b>
	<b>Computer software Baht</b>	<b>Right to use assets Baht</b>	<b>Right to use assets under construction Baht</b>	
<b>As at 1 January 2016</b>				
Cost	-	-	-	-
<u>Less</u> Accumulated amortisation	-	-	-	-
Net book amount	-	-	-	-
<b>For the year ended 31 December 2016</b>				
Opening net book amount	-	-	-	-
Additions	535,700	-	9,986,625	10,522,325
Reclassification, net	56,814	-	-	56,814
Amortisation charge	(88,081)	-	-	(88,081)
Closing net book amount	504,433	-	9,986,625	10,491,058
<b>As at 31 December 2016</b>				
Cost	1,236,160	-	9,986,625	11,222,785
<u>Less</u> Accumulated amortisation	(731,727)	-	-	(731,727)
Net book amount	504,433	-	9,986,625	10,491,058

**20 Deferred income taxes, net**

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
<b>Deferred tax assets, net :</b>				
Deferred tax assets to be recovered within 12 months	860,804	265,228	-	-
Deferred tax assets to be recovered more than 12 months	194,946,086	210,864,354	10,667,628	11,146,337
	195,806,890	211,129,582	10,667,628	11,146,337
<b>Deferred tax liabilities, net:</b>				
Deferred tax liabilities to be settled within 12 months	360,237	85,908	-	-
Deferred tax liabilities to be settled more than 12 months	(804,234)	(9,241,141)	-	-
	(443,997)	(9,155,233)	-	-
Deferred income taxes, net	195,362,893	201,974,349	10,667,628	11,146,337

The gross movement in deferred income tax account is as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
At 1 January	201,974,349	211,382,601	11,146,337	12,145,179
Credited to profit or loss	(6,228,066)	(9,200,888)	(343,156)	(843,481)
Credited to comprehensive income	(383,390)	(207,364)	(135,553)	(155,361)
At 31 December	195,362,893	201,974,349	10,667,628	11,146,337

**20 Deferred income taxes, net (Cont'd)**

The movement in deferred tax assets and liabilities during the year is as follows:

	Consolidated financial statements							Intangible assets Baht	Baht
	Depreciation Baht	Provision for employee benefits Baht	Allowance for doubtful accounts Baht	Allowance for decrease in inventory value Baht	Loss carried forward Baht	Fair value adjustment available-for-sale investments Baht			
<b>Deferred tax assets, net</b>									
At 1 January 2016	189,380,790	3,165,772	8,961,341	265,229	3,403,586	15,364	5,937,500	211,129,582	
Charged (credited) to profit or loss	(13,759,213)	185,471	(227,991)	595,576	(468,135)	(15,364)	(1,495,071)	(15,184,727)	
Credited to comprehensive income	-	(134,152)	-	-	-	(3,813)	-	(137,965)	
At 31 December 2016	<u>175,621,577</u>	<u>3,217,091</u>	<u>8,733,350</u>	<u>860,805</u>	<u>2,935,451</u>	<u>(3,813)</u>	<u>4,442,429</u>	<u>195,806,890</u>	
At 1 January 2015	203,140,003	3,154,061	9,854,259	48,333	4,900,518	-	-	221,097,174	
Charged (credited) to profit or loss	(13,759,213)	184,367	(892,918)	216,896	(1,496,932)	-	5,937,500	(9,810,300)	
Charged (credited) to comprehensive income	-	(172,656)	-	-	-	15,364	-	(157,292)	
At 31 December 2015	<u>189,380,790</u>	<u>3,165,772</u>	<u>8,961,341</u>	<u>265,229</u>	<u>3,403,586</u>	<u>15,364</u>	<u>5,937,500</u>	<u>211,129,582</u>	

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable.

20 Deferred income taxes, net (Cont'd)

	Consolidated financial statements						
	Depreciation Baht	Provision for employee benefits Baht	Allowance for doubtful accounts Baht	Allowance for decrease in inventory value Baht	Impairment Baht	Deferred revenue Baht	Baht
<b>Deferred tax liabilities, net</b>							
At 1 January 2016	13,489,405	(3,170,157)	(598,849)	(85,909)	-	(479,257)	9,155,233
Charged (credited) to profit or loss	-	496,224	(2,380,498)	(274,329)	(6,777,008)	469,800	(8,465,811)
Credited to comprehensive income	-	(245,425)	-	-	-	-	(245,425)
At 31 December 2016	<u>13,489,405</u>	<u>(2,919,358)</u>	<u>(2,979,347)</u>	<u>(360,238)</u>	<u>(6,777,008)</u>	<u>(9,457)</u>	<u>443,997</u>
At 1 January 2015	13,489,405	(3,013,348)	(675,531)	(85,953)	-	-	9,714,573
Charged (credited) to profit or loss	-	(106,737)	76,682	44	-	(479,257)	(509,268)
Credited to comprehensive income	-	(50,072)	-	-	-	-	(50,072)
At 31 December 2015	<u>13,489,405</u>	<u>(3,170,157)</u>	<u>(598,849)</u>	<u>(85,909)</u>	<u>-</u>	<u>(479,257)</u>	<u>9,155,233</u>



**20 Deferred income taxes, net (Cont'd)**

	<b>Separate financial statements</b>			<b>Total Baht</b>
	<b>Provision for employee benefits Baht</b>	<b>Allowance for doubtful accounts Baht</b>	<b>Fair value adjustment available-for- sale investments Baht</b>	
<b>Deferred tax assets, net</b>				
At 1 January 2016	2,223,165	8,907,808	15,364	11,146,337
Charged (credited) to profit or loss	47,510	(375,302)	(15,364)	(343,156)
Credited to comprehensive income	(131,740)	-	(3,813)	(135,553)
At 31 December 2016	<u>2,138,935</u>	<u>8,532,506</u>	<u>(3,813)</u>	<u>10,667,628</u>
At 1 January 2015	2,349,719	9,795,460	-	12,145,179
Charged (credited) to profit or loss	44,171	(887,652)	-	(843,481)
Credited to comprehensive income	(170,725)	-	15,364	(155,361)
At 31 December 2015	<u>2,223,165</u>	<u>8,907,808</u>	<u>15,364</u>	<u>11,146,337</u>

**21 Trade and other payables**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Trade payables - third parties	174,784,164	300,961,185	-	1,564,307
Trade payables - related parties	479,703	1,079,608	2,269,767	136,437,972
Accrued expenses - third parties	25,931,121	43,879,927	6,172,452	6,081,802
Accrued expenses - related parties	-	8,046,427	-	-
Advance received for goods and services - third parties	186,672,219	96,098,523	-	-
Advance received for goods and services - related parties	7,183,701	29,090,375	90,615	180,000
Deferred revenue from Office of the Cane and Sugar Fund	47,286	2,396,286	-	-
Deferred revenue	1,066,992	-	1,066,992	-
Sugarcane payables	15,576,317	-	-	-
Other payables - third parties	189,765,905	28,440,109	2,055,394	-
Other payables - related parties	847,164	2,270,608	97,327	939,751
	<u>602,354,572</u>	<u>512,263,048</u>	<u>11,752,547</u>	<u>145,203,832</u>

**22 Borrowings**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
<b>Current</b>				
Bank overdrafts	-	8,344	-	-
Short-term borrowings from financial institutions	1,710,253,155	1,475,176,244	1,003,953,155	1,358,215,988
Current portion of long-term borrowings:				
- Financial institutions	506,335,246	304,304,422	-	-
- Others	2,336,082	-	-	-
- Hire purchase liabilities	10,105,057	10,566,953	251,802	-
Debentures	850,000,000	-	850,000,000	-
Long-term borrowings from financial institutions	422,159,900	-	-	-
<b>Total current borrowings</b>	<b>3,501,189,440</b>	<b>1,790,055,963</b>	<b>1,854,204,957</b>	<b>1,358,215,988</b>
<b>Non-current</b>				
Long-term borrowings from financial institutions, net	951,188,467	1,390,186,734	-	-
Long-term borrowings from others, net	9,852,559	-	-	-
Hire purchase liabilities, net	15,630,342	14,069,629	777,980	-
Debentures	-	850,000,000	-	850,000,000
<b>Total non-current borrowings</b>	<b>976,671,368</b>	<b>2,254,256,363</b>	<b>777,980</b>	<b>850,000,000</b>
<b>Total borrowings</b>	<b>4,477,860,808</b>	<b>4,044,312,326</b>	<b>1,854,982,937</b>	<b>2,208,215,988</b>

As at 31 December 2016 and 2015, all borrowings are in Thai Baht currency.

As at 31 December 2016, long-term borrowings from financial institutions were secured by pledge of property, plant and equipment at net book value of Baht 1,967.38 million (2015: Baht 2,095.77 million) (Note 18).

Under the long-term borrowing agreements, the Group has to comply with terms and conditions as specified in the agreements, for examples, to maintain shareholding structure ratio, to maintain debt to equity ratio, to maintain debt service coverage ratio, to be listed entity in the Stock Exchange of Thailand by the ultimate parent company, etc.

**Short-term borrowings**

As at 31 December 2016, short-term borrowings are bills of exchange and promissory notes with financial institutions at Baht 1,710.25 million in the consolidated financial statements and Baht 1,003.95 million in the separate financial statements. These promissory notes bear interest at the rates between 2.70% and 4.53% per annum with 11 month period maturities (2015: Baht 1,475.18 million and Baht 1,358.22 million in the consolidated and separate financial statements, respectively, bear interest at the rates between 3.40% and 5.50% per annum with 3-6 month period maturities).

**22 Borrowings (Cont'd)**

**Long-term borrowings**

All new long-term borrowings are long-term loans of subsidiaries of the Company entered into credit facility agreements with local financial institutions as details below.

- On 9 December 2016, a subsidiary entered into a credit facility agreement with a financial institution of Baht 300 million. The loan bears interest at MLR minus a certain margin per annum. The interest is paid on a monthly basis, where the principal is repaid annually within 5 years at the minimum payable amount of Baht 60 million per year. As at 31 December 2016, the loan has not been drawn down yet.
- On 28 June 2016, the same subsidiary entered into additional credit facility agreement with a financial institution of Baht 400 million. The loan is guaranteed by the ultimate parent company. The loan bears interest at 3.80% per annum. The interest is paid on a monthly basis, where the principal is repaid semi-annually within 3 years at the minimum payable amount of Baht 67 million per year, commencing on 31 January 2017. The remaining principal will be paid in the last year. As at 31 December 2016, the subsidiary has outstanding loan at Baht 400 million.
- On 15 January 2016, a subsidiary entered into additional credit facility agreement with a financial institution of Baht 5.2 million. The loan bears interest at MLR minus a certain margin per annum. The interest is paid on a monthly basis, where the principal is repaid monthly within 7 years, commencing on 31 March 2016. As at 31 December 2016, the subsidiary has outstanding loan at Baht 4.68 million.

**Debentures**

- As at 31 December 2016, the Group classified debentures amount of Baht 850 million as current liabilities since the debentures will redeemed within 2017.
- On 26 November 2015, the Company issued unsecured and non-subordinated debentures with named holders with a total face value of 600,000 units, with face value of Baht 1,000 each. The debentures bear interest at fixed rate of 4.50% per annum. The interest is payable semi-annually starting from 26 May and 26 November of every year. The debentures will redeemed on 26 November 2017. The redeemed amount is as same as the face value of Baht 600 million.
- On 7 October 2015, the Company issued unsecured and non-subordinated debentures with named holders with a total face value of 250,000 units, with face value of Baht 1,000 each. The debentures bear interest at fixed rate of 4.30% per annum. The interest is payable semi-annually starting from 7 April and 7 October of every year. The debentures will be redeemed on 7 October 2017. The redeemed amount is as same as the face value of Baht 250 million.

The movements of long-term borrowings and debentures (excluded hire-purchase liabilities) for the years ended 31 December 2016 and 2015 are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Opening balance	2,544,491,156	612,779,565	850,000,000	-
Additions	502,238,640	1,709,277,400	-	-
Issuance of debentures	-	850,000,000	-	850,000,000
Repayments	(304,857,542)	(627,565,809)	-	-
Closing balance	<u>2,741,872,254</u>	<u>2,544,491,156</u>	<u>850,000,000</u>	<u>850,000,000</u>

As at 31 December 2016, the Group classified long-term borrowing from a financial institution amount of Baht 422.16 million as current liabilities in accordance with Thai Accounting Standard due to the breach of terms and conditions as specified in the long-term borrowing agreements to maintain debt to equity ratio and debt service coverage ratio. However, if the lender has agreed to compromise the terms and conditions, the Group will classified the amount as non-current liabilities.

**22 Borrowings (Cont'd)**

The interest rates on the long-term borrowings and debentures (excluded hire-purchase liabilities) are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
<b>Long-term borrowings and debentures</b>				
- At fixed rates	1,262,188,640	850,000,000	850,000,000	850,000,000
- At floating rates	1,479,683,614	1,694,491,156	-	-
<b>Total</b>	<b>2,741,872,254</b>	<b>2,544,491,156</b>	<b>850,000,000</b>	<b>850,000,000</b>

The weighted average effective interest rates at the statements of financial position date were as follows:

	Consolidated financial statements		Separate financial statements	
	2016 %	2015 %	2016 %	2015 %
Bank overdrafts	7.07	7.18	-	-
Short-term borrowings from financial institutions	3.18	4.02	3.18	4.09
Long-term borrowings from financial institutions	5.02	5.37	-	-
Long-term borrowings from others	2.00	-	-	-
Debentures	4.69	4.44	4.69	4.44

Maturity of long-term borrowings and debentures (excluded hire-purchase liabilities) were as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Within 1 year	1,780,831,229	304,304,422	850,000,000	-
Later than 1 year but not later than 5 years	932,095,890	1,989,735,412	-	850,000,000
Later than 5 years	28,945,135	250,451,322	-	-
	<b>2,741,872,254</b>	<b>2,544,491,156</b>	<b>850,000,000</b>	<b>850,000,000</b>

**Credit facilities**

As at 31 December 2016, the Group had financial credit limit of long-term borrowings from local financial institutions totaling of Baht 2,575.20 million with money market interest rate, which have not been drawn down amounting to Baht 693.86 million.

**22 Borrowings (Cont'd)**

**Hire-purchase liabilities, net**

The minimum lease payments of hire-purchase liabilities as at 31 December 2016 and 2015 is as follows:

	Consolidated financial statements			Separate financial statements		
	2016			2016		
	Within 1 year Baht	2 - 5 years Baht	Total Baht	Within 1 year Baht	2 - 5 years Baht	Total Baht
Hire-purchase liabilities- minimum payments	11,314,708	16,560,342	27,875,050	273,580	808,200	1,081,780
<u>Less</u> Deferred interest on hire purchases	(1,209,651)	(929,999)	(2,139,650)	(21,778)	(30,220)	(51,998)
	<u>10,105,057</u>	<u>15,630,343</u>	<u>25,735,400</u>	<u>251,802</u>	<u>777,980</u>	<u>1,029,782</u>
	Consolidated financial statements			Separate financial statements		
	2015			2015		
	Within 1 year Baht	2 - 5 years Baht	Total Baht	Within 1 year Baht	2 - 5 years Baht	Total Baht
Hire-purchase liabilities- minimum payments	11,793,706	15,143,496	26,937,202	-	-	-
<u>Less</u> Deferred interest on hire purchases	(1,226,753)	(1,073,867)	(2,300,620)	-	-	-
	<u>10,566,953</u>	<u>14,069,629</u>	<u>24,636,582</u>	<u>-</u>	<u>-</u>	<u>-</u>

The carrying amounts of short-term borrowings with fixed interest rate approximate their fair values due to the short-term maturity period. The long-term borrowings from financial institutions with floating interest rates, the fair values approximate their carrying amounts. The fair values of the long-term borrowings from financial institutions and others and debentures with fixed interest rates approximate their carrying amounts because the current interest rates of the similar terms of borrowings as the Group's approximate the interest rates per the agreement. This is a level 2 fair value measurement.

**23 Other current liabilities**

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Undued Output VAT	3,653,597	13,136,694	2,663,436	1,647,993
Withholding tax payables	10,543,173	11,761,887	5,677,004	4,479,817
Others	1,553,470	2,009,470	-	-
	<u>15,750,240</u>	<u>26,908,051</u>	<u>8,340,440</u>	<u>6,127,810</u>

24 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
<b>Statements of financial position</b>				
<b>Current portion</b>				
Current portion of employee benefit obligations	9,343,087	6,645,665	3,423,149	2,991,329
<b>Non-current portion</b>				
Employee benefit obligations, net	23,237,045	26,147,625	7,930,227	8,978,121
	<u>32,580,132</u>	<u>32,793,290</u>	<u>11,353,376</u>	<u>11,969,450</u>
<b>Statements of comprehensive income</b>				
Retirement benefits	4,086,703	3,369,970	1,351,782	1,165,554

The movement in the defined benefit obligations over the period is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Beginning balance	32,793,290	30,837,042	11,969,450	11,748,599
Current service costs	2,640,985	2,102,173	829,582	708,918
Interest costs	1,445,718	1,267,797	522,200	456,636
Benefits paid	(2,401,975)	(300,080)	(1,309,150)	(91,080)
Actuarial gain	(1,897,886)	(1,113,642)	(658,706)	(853,623)
Ending balance	<u>32,580,132</u>	<u>32,793,290</u>	<u>11,353,376</u>	<u>11,969,450</u>

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2016 %	2015 %	2016 %	2015 %
Discount rate	3.48%	4.08%	3.48%	4.08%
Future salary increases	3.47%	4.23%	3.47%	4.23%
Resignation rate by span of age	0 - 14%	0 - 20%	0 - 14%	0 - 20%

**24 Employee benefit obligations (Cont'd)**

<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>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Discount rate	0.5%	0.5%	Decrease by 4.0%	Decrease by 4.0%	Increase by 4.0%	Increase by 4.3%
Salary growth rate	0.5%	0.5%	Increase by 4.0%	Increase by 4.2%	Decrease by 3.8%	Decrease by 4.0%
Turnover rate	0.5%	0.5%	Decrease by 4.0%	Decrease by 4.3%	Increase by 4.3%	Increase by 4.6%

  

<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>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Discount rate	0.5%	0.5%	Decrease by 4.1%	Decrease by 3.9%	Increase by 4.4%	Increase by 4.1%
Salary growth rate	0.5%	0.5%	Increase by 4.1%	Increase by 4.1%	Decrease by 3.8%	Decrease by 3.9%
Turnover rate	0.5%	0.5%	Decrease by 3.8%	Decrease by 4.1%	Increase by 4.1%	Increase by 4.4%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Through its defined retirement benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in Government bond yields will increase plan liabilities.

The weighted average duration of the defined benefit obligation is 15 years. (2015: 24 years).

The Group use the cash flows from operating activities to pay the retirement benefits.

Expected maturity analysis of retirement and other long-term benefits:

<b>Consolidated financial statements</b>				
	<b>Less than a year</b>	<b>Between</b>	<b>More than</b>	<b>Total</b>
	<b>Baht million</b>	<b>1-5 years</b>	<b>5 years</b>	<b>Baht million</b>
		<b>Baht million</b>	<b>Baht million</b>	
Retirement benefits - 2016	10.19	5.40	39.21	54.80
Retirement benefits - 2015	7.36	8.39	39.52	55.27

  

<b>Separate financial statements</b>				
	<b>Less than a year</b>	<b>Between</b>	<b>More than</b>	<b>Total</b>
	<b>Baht million</b>	<b>1-5 years</b>	<b>5 years</b>	<b>Baht million</b>
		<b>Baht million</b>	<b>Baht million</b>	
Retirement benefits - 2016	3.66	1.19	15.31	20.06
Retirement benefits - 2015	3.20	2.51	14.78	20.49

**25 Dividends**

At the Annual General Meeting of Shareholders for 2016 held on 21 April 2016, the shareholders approved to pay dividends for the operation of 2015 at Baht 0.22 per share for 676,750,000 ordinary shares, totaling Baht 148,885,000 Baht. These dividends were paid to the shareholders on 17 May 2016.

At the Annual General Meeting of Shareholders for 2015 held on 22 April 2015, the shareholders approved to pay dividends for the operation of 2014 at Baht 0.20 per share for 676,750,000 ordinary shares, totaling Baht 135,350,000. These dividends were paid to the shareholders on 20 May 2015.

**26 Legal reserve**

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
At 1 January	25,669,147	18,096,416	25,669,147	9,439,650
Appropriation during the year	14,011,720	7,572,731	14,011,720	16,229,497
At 31 December	39,680,867	25,669,147	39,680,867	25,669,147

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

**27 Revenue from sales**

On 20 June 2016, the Energy Regulatory Commission announced that the "Feed-in Tariff" (FiT) method for calculating biomass energy sales would replace the "Adder" method. This was retrospectively applied to 11 March 2016, the date on which the Energy Policy and Planning Office resolved the change. As such, Buriram Energy Co., Ltd., a subsidiary, amended its electricity sales and purchase agreement with the Provincial Electricity Authority (PEA) on 20 September 2016 and recognised an additional Baht 32.53 million in revenue for the year ended 31 December 2016.

**28 Other income**

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Interest income	47,224,855	24,707,039	179,199,606	163,170,588
Dividend income	153,510	153,510	-	96,059,620
Other services income	3,116,872	433,368	79,150,173	111,623,380
Reversal of allowance for doubtful accounts	353,630	5,890,816	353,630	5,890,816
Gain on disposals of property, plant and equipment	-	6,764,172	-	502,489
Compensation for breach of sale contract	1,635,219	14,039,115	-	-
Compensation for insurance claim	35,029,985	-	-	-
Others	7,711,118	11,093,892	495,253	612,965
	95,225,189	63,081,912	259,198,662	377,859,858



**29 Expenses by nature**

The following expenditure items, classified by nature, have been charged in arriving at the operating profit:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Raw materials and supplies used	2,715,056,622	2,363,393,405	1,942,733	227,534
Depreciation and amortisation	217,807,611	160,525,162	1,757,670	2,567,000
Repair and maintenance expense	181,434,150	183,671,854	694,087	912,491
Transportation expenses	141,412,240	149,787,857	-	-
Staff costs	383,000,227	386,056,935	95,372,021	93,515,214
Fees paid to the Office of the Cane and Sugar Fund	363,015,778	319,575,472	385,900	-
Impairment of assets	33,885,040	-	-	-

**30 Income tax**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Current tax:				
Current tax on profits for the year	22,853,966	44,021,599	10,808,833	18,462,221
<b>Total current tax</b>	<b>22,853,966</b>	<b>44,021,599</b>	<b>10,808,833</b>	<b>18,462,221</b>
Deferred tax:				
Origination and reversal of temporary differences	6,433,499	9,680,145	498,516	843,481
<b>Total deferred tax</b>	<b>6,433,499</b>	<b>9,680,145</b>	<b>498,516</b>	<b>843,481</b>
<b>Total tax expense</b>	<b>29,287,465</b>	<b>53,701,744</b>	<b>11,307,349</b>	<b>19,305,702</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>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Profit before tax	142,608,352	326,048,908	53,731,966	191,701,675
Tax calculated at a tax rate of 20% (2015: 20%)	28,521,671	65,209,781	10,746,393	38,340,335
Tax effect of:				
Income not subject to tax	(78,120,200)	(33,040,005)	(937,368)	(23,120,135)
Expenses not deductible for tax purpose	78,885,994	21,531,968	1,498,324	4,085,502
<b>Total tax expense</b>	<b>29,287,465</b>	<b>53,701,744</b>	<b>11,307,349</b>	<b>19,305,702</b>

**31 Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net profit attributable to shareholders of the Company (Baht)	113,082,955	271,964,585	42,424,617	172,395,973
Weighted average of issued ordinary shares during the year (Shares)	676,750,000	676,750,000	676,750,000	676,750,000
Basic earnings per share (Baht)	0.17	0.40	0.06	0.25

There are no dilutive potential ordinary shares in issue during the year presented.

**32 Related party transactions**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

As at 31 December 2016, the Company is controlled by Buriram Capital Co., Ltd., which owns 50% of the Company's issued shares (2015 : 50%).

The following material transactions were carried out with related parties:

**a) Business transactions with related parties**

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
<b>Related parties : Subsidiaries</b>				
Dividend income	-	-	-	96,059,620
Interest income	-	-	178,615,304	162,834,530
Other income	-	-	116,543,780	111,623,380
Administrative expenses	-	-	2,284,327	1,136,412
<b>Other related parties</b>				
Revenues from sales and services	2,282,717,363	2,068,353,688	-	-
Other income	240,000	240,000	-	-
Cost of sales and services	3,635,692	11,588,989	-	-
Selling expenses	10,611,572	54,423,628	-	-
Administrative expenses	120,370	-	-	-

During the year 2016, a subsidiary has purchased land from directors amounting to Baht 0.81 million. The payments have been made and assets have already transferred.

**32 Related party transactions (Cont'd)**

The following material transactions were carried out with related parties: (Cont'd)

**b) Outstanding balances arising from sales/purchases of goods/services**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Trade accounts receivables - related parties :				
Subsidiaries	-	-	5,249,872	25,190,755
Other related parties	12,734,049	7,529,658	-	-
	<u>12,734,049</u>	<u>7,529,658</u>	<u>5,249,872</u>	<u>25,190,755</u>
Farmer receivables - related parties :				
Other related parties	2,076,507	2,569,733	-	-
	<u>2,076,507</u>	<u>2,569,733</u>	<u>-</u>	<u>-</u>
Other receivables - related parties :				
Subsidiaries	-	-	26,869,329	127,633,060
Other related parties	3,456,974	-	-	-
	<u>3,456,974</u>	<u>-</u>	<u>26,869,329</u>	<u>127,633,060</u>
Trade accounts payables - related parties :				
Subsidiaries	-	-	2,269,767	136,437,972
Other related parties	479,703	1,079,608	-	-
	<u>479,703</u>	<u>1,079,608</u>	<u>2,269,767</u>	<u>136,437,972</u>
Other payables - related parties:				
Subsidiaries	-	-	84,700	84,700
Other related parties	8,030,865	39,407,410	103,242	1,035,051
	<u>8,030,865</u>	<u>39,407,410</u>	<u>187,942</u>	<u>1,119,751</u>

**c) Long-term borrowings to subsidiaries**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
- Current portion of long-term borrowings	-	-	95,000,000	74,000,000
- Long-term borrowings, net	-	-	2,652,863,752	3,317,568,630
	<u>-</u>	<u>-</u>	<u>2,747,863,752</u>	<u>3,391,568,630</u>

As at 31 December 2016, interest rates for long-term borrowings to related parties were between 5.78% and 5.90% per annum (2015: 5.90% - 6.75% per annum).

**32 Related party transactions (Cont'd)**

The following material transactions were carried out with related parties: (Cont'd)

**d) Long-term borrowings to farmers**

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
- Current portion of long-term borrowings to farmers	999,860	2,000,000	-	-
- Long-term borrowings to farmers	-	999,860	-	-
	<u>999,860</u>	<u>2,999,860</u>	<u>-</u>	<u>-</u>

As at 31 December 2016, interest rates for borrowings to farmers were between 7.02% and 7.15% per annum (2015 : 7.15% - 7.25% per annum).

**e) Directors' and management's remuneration**

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Short-term benefits	48,437,080	49,850,052	22,272,080	23,007,552
Post-retirement benefits	771,740	881,979	325,750	417,888
	<u>49,208,820</u>	<u>50,732,031</u>	<u>22,597,830</u>	<u>23,425,440</u>

Director's and management's remuneration represents salaries, meeting fees and other benefits.

**f) Foreign currency forward contracts**

The Group has entered into foreign currency forward contracts through The Thai Sugar Trading Corporation Ltd. which is a related party, contract value amounting to USD 20.40 million (2015: USD 2.50 million).

**33 Fair values of financial assets and liabilities**

The carrying amounts of cash and cash equivalents, short-term investments, trade receivables, other short-term receivables, trade payables, other short-term payables, short-term borrowings from financial institutions approximate their fair values due to the short-term maturity period.

The fair values of long-term borrowings to related parties and long-term borrowings from financial institutions with floating interest rates approximate their carrying amounts.

The carrying amounts and fair values of debentures in the consolidated and company financial statements are as follows:

	Carrying amount		Fair value	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Debentures	<u>850,000,000</u>	<u>850,000,000</u>	<u>853,393,097</u>	<u>850,359,565</u>

The fair values of debentures are calculated by applying the latest closing bid price on the statement of financial position date referred from the Thai Bond Market Association. This is a level 2 fair value measurement.

### 34 Promotion privileges

By virtue of provisions of the Industrial Investment Promotion act of B.E 2520, the subsidiaries were granted privileges by the Board of Investment which included exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operation. The details of each privilege are as follows:

<b>Certificate</b>	<b>Privilege section</b>	<b>Date</b>	<b>Nature of privilege business</b>	<b>First derived income date</b>	<b>Expiry date</b>
2003(1)/2554	25, 26, 28, 31, 34, 35	17 August 2011	Generating electricity from biomass type 7.1	11 May 2012	11 May 2020
1006(1)/2558	25, 26, 28, 31, 34, 35	5 January 2015	Generating electricity from biomass type 7.1	7 April 2015	7 April 2023
59-0604-1-00-1-0	25, 26, 28, 31, 34, 35	4 May 2016	Generating electricity from biomass type 7.1	31 December 2016	31 December 2024

In addition, BOI certificate No.2003(1)/2554, 1006(1)/2558 and 59-0604-1-00-1-0 the subsidiaries receive a 50% reduction in the normal income tax rate on the net profit derived from promoted business for a period of 5 years, as from the expiry date in the table above.

### 35 Commitments and contingent liabilities

#### (a) Capital commitments

Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements is as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016 Baht</b>	<b>2015 Baht</b>	<b>2016 Baht</b>	<b>2015 Baht</b>
Property, plant and equipment	19,123,833	235,415,834	-	-
Intangible assets	2,614,760	12,076,452	2,614,760	12,076,452
	<u>21,738,593</u>	<u>247,492,286</u>	<u>2,614,760</u>	<u>12,076,452</u>

#### (b) Sales commitments

As at 31 December 2016, a subsidiary had commitments relating to the sales agreements but not yet delivered amount of 63,944 metric ton with price range between Baht 15,862 - 20,911 per metric ton and still has no pricing for 61,630 metric ton. The price will be set based on New York Sugar No.11 price or London Sugar No.5 price in the period in which it was delivered. (2015: a subsidiary had commitments relating to the sales agreements but not yet delivered amount of 3,506 metric ton with price range between Baht 13,561 - 15,088 per metric ton).

#### (c) Commitments under Electricity sale/purchase agreements

As mentioned in Note 27 above, on 20 September 2016, Buriram Energy Co., Ltd., a subsidiary, amended its PEA electricity sales and purchase agreement to the FIT sales calculation method. The agreement was first signed on 11 May 2012 for a five-year term, renewable for another five years. For the amended agreement, the term is the remaining 12 years and five months, and the FIT calculation was retroactively applied to 11 March 2016.

Buriram Power Co., Ltd, the subsidiary company has entered into electricity sale/purchase agreement with the Provincial Electricity Authority (PEA) with a term of 20 years from 7 April 2015. Under the terms of the agreements, the subsidiary and PEA must comply with specified conditions.

**35 Commitments and contingent liabilities (Cont'd)**

**(d) Bank guarantees**

As at 31 December 2016, a subsidiary had outstanding letters of guarantee of Baht 4.6 million issued by local financial institutions as collaterals of Provincial Electricity Authority for electrical usage (2015: Baht 4.6 million).

As at 31 December 2016, a subsidiary had no outstanding letter of guarantee issued by a local financial institution as a collateral of another local financial institution for loans (2015: Baht 50 million).

**36 Event after the reporting period**

At the Company's Board of Directors' meeting on 23 February 2017, it approved to propose the following agenda to the Annual Shareholders' Meeting for the year 2017 for further consideration and approval:

- To approve an increase in the registered capital from amount of Baht 676,750,000 to Baht 812,100,000 by issuing 135,350,000 ordinary shares at a par value of Baht 1 per share totalling Baht 135,350,000 as a stock dividend distribution.
- To approve the dividend payment of the year 2016 in terms of cash and stock dividend at Baht 0.22 per share as follows:
  - a) Cash dividend at Baht 0.02 per share totalling Baht 13,535,000 and,
  - b) Stock dividend of 5 existed ordinary shares for 1 dividend stock which is equivalent to the dividend payment at Baht 0.20 per share totalling 135,350,000 ordinary shares issuance.