

AUDITOR'S REPORT

To the Shareholders of Buriram Sugar Public Company Limited

I have audited the accompanying consolidated and company financial statements of Buriram Sugar Public Company Limited and its subsidiaries and of Buriram Sugar Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2015, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Buriram Sugar Public Company Limited and its subsidiaries and of Buriram Sugar Public Company Limited as at 31 December 2015, and its consolidated and company results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Prasit Yuengsrikul
Certified Public Accountant (Thailand) No. 4174
PricewaterhouseCoopers ABAS Ltd.

Bangkok
26 February 2016

BURIRAM SUGAR PUBLIC COMPANY LIMITED

CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

31 DECEMBER 2015

Buriram Sugar Public Company Limited
Statement of Financial Position
As at 31 December 2015

		Consolidated		Company	
		2015	2014	2015	2014
	Notes	Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	8	213,924,458	348,532,521	11,598,663	223,683,992
Trade and other receivables, net	9, 30	227,944,568	302,873,569	163,766,044	255,203,318
Farmer receivables, net	10	908,499,263	770,792,360	10,900,000	15,641,446
Inventories, net	11	715,206,897	610,541,403	-	-
Current portion of long-term borrowings to subsidiaries	30	-	-	74,000,000	-
Other current assets	12	48,705,481	73,368,417	9,474,900	17,261,650
Total current assets		2,114,280,667	2,106,108,270	269,739,607	511,790,406
Non-current assets					
Other long-term investments, net	14	1,903,650	1,980,470	495,875	572,695
Investment in subsidiaries	13	-	-	1,280,477,600	1,270,478,100
Long-term borrowings to subsidiaries	30	-	-	3,317,568,630	2,183,190,318
Other receivable - Office of the Cane and Sugar Fund	15	155,848,895	-	-	-
Property, plant and equipment, net	16	4,264,589,304	3,051,997,385	11,564,851	22,238,783
Intangible assets, net	17	17,214,881	12,008,156	-	-
Deferred tax assets, net	18	201,974,349	211,382,601	11,146,337	12,145,179
Other non-current assets		6,293,592	2,192,630	-	-
Total non-current assets		4,647,824,671	3,279,561,242	4,621,253,293	3,488,625,075
Total assets		6,762,105,338	5,385,669,512	4,890,992,900	4,000,415,481

Director _____

Date _____

The accompanying notes on pages 11 to 50 are an integral part of these consolidated and company financial statements.

Buriram Sugar Public Company Limited
Statement of Financial Position
As at 31 December 2015

		Consolidated		Company	
		2015	2014	2015	2014
	Notes	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts	20	8,344	34,435,771	-	-
Trade and other payables	19, 30	512,263,048	488,659,795	145,203,832	243,334,327
Short-term borrowings from financial institutions	20	1,481,960,256	2,174,930,649	1,365,000,000	1,270,000,000
Current portion of long-term borrowings from financial institutions	20	304,304,422	159,878,070	-	-
Current portion of hire-purchase liabilities	20	10,566,953	10,150,845	-	10,656
Income tax payable		12,872,312	4,308,534	6,762,888	366,326
Other current liabilities	21	26,908,051	31,489,127	6,127,810	6,694,068
Total current liabilities		2,348,883,386	2,903,852,791	1,523,094,530	1,520,405,377
Non-current liabilities					
Long-term borrowings from financial institutions, net	20	1,390,186,734	452,901,495	-	-
Debentures	20	850,000,000	-	850,000,000	-
Hire-purchase liabilities, net	20	14,069,629	9,673,567	-	-
Employee benefit obligations	22	32,793,290	30,837,042	11,969,450	11,748,599
Total non-current liabilities		2,287,049,653	493,412,104	861,969,450	11,748,599
Total liabilities		4,635,933,039	3,397,264,895	2,385,063,980	1,532,153,976

The accompanying notes on pages 11 to 50 are an integral part of these consolidated and company financial statements.

Buriram Sugar Public Company Limited
Statement of Financial Position
As at 31 December 2015

		Consolidated		Company	
		2015	2014	2015	2014
	Notes	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital					
Authorised share capital					
676,750,000 ordinary shares at par value of Baht 1 each		<u>676,750,000</u>	<u>676,750,000</u>	<u>676,750,000</u>	<u>676,750,000</u>
Issued and paid-up share capital					
676,750,000 ordinary shares fully paid-up of Baht 1 each	23	676,750,000	676,750,000	676,750,000	676,750,000
Premium on ordinary shares		954,665,813	954,665,813	954,665,813	954,665,813
Retained earnings					
Appropriated					
- Legal reserve	25	25,669,147	18,096,416	25,669,147	9,439,650
Unappropriated		468,904,450	338,971,884	849,252,872	827,753,498
Other components of shareholders' equity		<u>(408,912)</u>	<u>(347,456)</u>	<u>(408,912)</u>	<u>(347,456)</u>
Equity attributable to owners of the parent		<u>2,125,580,498</u>	<u>1,988,136,657</u>	<u>2,505,928,920</u>	<u>2,468,261,505</u>
Non-controlling interests		<u>591,801</u>	<u>267,960</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>2,126,172,299</u>	<u>1,988,404,617</u>	<u>2,505,928,920</u>	<u>2,468,261,505</u>
Total liabilities and shareholders' equity		<u>6,762,105,338</u>	<u>5,385,669,512</u>	<u>4,890,992,900</u>	<u>4,000,415,481</u>

The accompanying notes on pages 11 to 50 are an integral part of these consolidated and company financial statements.

Buriram Sugar Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2015

	Notes	Consolidated		Company	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
Revenue from sales and services		4,226,648,347	3,920,315,008	-	-
Cost of sales and services		(3,321,645,151)	(3,089,683,579)	-	-
Gross profit		905,003,196	830,631,429	-	-
Other income	26	69,206,838	33,713,301	377,859,858	324,396,440
Selling expenses		(175,727,418)	(160,268,155)	-	-
Administrative expenses		(346,944,873)	(300,595,379)	(126,141,609)	(124,062,311)
Finance costs		(125,488,835)	(117,018,179)	(60,016,574)	(48,556,910)
Profit before income tax expense		326,048,908	286,463,017	191,701,675	151,777,219
Income tax expense	28	(53,701,744)	(50,153,736)	(19,305,702)	(3,862,318)
Net profit for the year		272,347,164	236,309,281	172,395,973	147,914,901
Other comprehensive income (expense):					
Items that will not be reclassified to profit or loss					
- Remeasurements of post-employment benefit obligations		1,113,642	6,382,692	853,623	3,065,944
- Income tax relating to remeasurements of post-employment benefit obligations		(222,728)	(1,276,538)	(170,725)	(613,189)
		890,914	5,106,154	682,898	2,452,755
Items that will be reclassified subsequently to profit or loss					
- Change in value of available-for-sale investments		(76,820)	70,520	(76,820)	70,520
- Income tax relating to change in value of available-for-sale investments		15,364	-	15,364	-
		(61,456)	70,520	(61,456)	70,520
Other comprehensive income for the year, net of tax		829,458	5,176,674	621,442	2,523,275
Total comprehensive income for the year		273,176,622	241,485,955	173,017,415	150,438,176
Profit attributable to:					
Owners of the parent		271,964,585	235,967,740	172,395,973	147,914,901
Non-controlling interests		382,579	341,541	-	-
		272,347,164	236,309,281	172,395,973	147,914,901
Total comprehensive income attributable to:					
Owners of the parent		272,793,841	241,142,890	173,017,415	150,438,176
Non-controlling interests		382,781	343,065	-	-
		273,176,622	241,485,955	173,017,415	150,438,176
Earnings per share					
Basic earnings per share	29	0.40	0.44	0.25	0.28

The accompanying notes on pages 11 to 50 are an integral part of these consolidated and company financial statements.

Buriram Sugar Public Company Limited
Statement of Changes in Shareholders' Equity
For the year ended 31 December 2015

Consolidated								
					Other components of shareholders' Equity			
			Retained earnings		Fair value reserve	Total owners of	Non-controlling	
Issued and paid-up share capital			Premium on ordinary shares	Appropriated	of available-for-sale	the parent	interests	Total
			Legal reserve	Unappropriated	investments	Baht	Baht	Baht
Notes	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2015	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	24	-	-	(135,350,000)	-	(135,350,000)	(60,440)	(135,410,440)
Legal reserve	25	-	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
Closing balance as at 31 December 2015	676,750,000	954,665,813	25,669,147	468,904,450	(408,912)	2,125,580,498	591,801	2,126,172,299
Opening balance as at 1 January 2014	507,567,500	11,504,750	1,857,898	114,138,032	(417,976)	634,650,204	24,709	634,674,913
Issuance of ordinary shares	23	169,182,500	943,161,063	-	-	1,112,343,563	-	1,112,343,563
Dividend paid	24	-	-	-	-	-	(100,264)	(100,264)
Legal reserve	25	-	16,238,518	(16,238,518)	-	-	-	-
Increase in non-controlling interests	-	-	-	-	-	-	450	450
Total comprehensive income for the year	-	-	-	241,072,370	70,520	241,142,890	343,065	241,485,955
Closing balance as at 31 December 2014	676,750,000	954,665,813	18,096,416	338,971,884	(347,456)	1,988,136,657	267,960	1,988,404,617

The accompanying notes on pages 11 to 50 are an integral part of these consolidated and company financial statements.

Buriram Sugar Public Company Limited
Statement of Changes in Shareholders' Equity
For the year ended 31 December 2015

		Company					
					Other components of Shareholders' Equity		
		Issued and Paid-up share capital	Premium on ordinary shares	Retained earnings		Fair value reserve of available-for-sale investments	Total
				Appropriated	Unappropriated		
Notes		Baht	Baht	Legal reserve Baht	Baht	Baht	Baht
Opening balance as at 1 January 2015		676,750,000	954,665,813	9,439,650	827,753,498	(347,456)	2,468,261,505
Dividend paid	24	-	-	-	(135,350,000)	-	(135,350,000)
Legal reserve	25	-	-	16,229,497	(16,229,497)	-	-
Total comprehensive income for the year		-	-	-	173,078,871	(61,456)	173,017,415
Closing balance as at 31 December 2015		676,750,000	954,665,813	25,669,147	849,252,872	(408,912)	2,505,928,920
Opening balance as at 1 January 2014		507,567,500	11,504,750	1,857,898	684,967,594	(417,976)	1,205,479,766
Issuance of ordinary shares	23	169,182,500	943,161,063	-	-	-	1,112,343,563
Legal reserve	25	-	-	7,581,752	(7,581,752)	-	-
Total comprehensive income for the year		-	-	-	150,367,656	70,520	150,438,176
Closing balance as at 31 December 2014		676,750,000	954,665,813	9,439,650	827,753,498	(347,456)	2,468,261,505

The accompanying notes on pages 11 to 50 are an integral part of these consolidated and company financial statements.

Buriram Sugar Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2015

		Consolidated		Company	
		2015	2014	2015	2014
	Notes	Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax expense		326,048,908	286,463,017	191,701,675	151,777,219
Adjustments to reconcile profit before income tax to net cash provided by operations:					
- Depreciation and amortisation		160,525,162	93,128,031	2,567,000	3,540,819
- Interest income	26	(24,707,039)	(3,850,748)	(163,170,588)	(70,065,260)
- Dividend income	26	(153,510)	(153,510)	(96,059,620)	(141,049,735)
- Reversal of allowance for doubtful accounts	10	(29,018,371)	(721,606)	(30,456,578)	(58,999)
- Allowance for declining in value of inventories	11	1,084,254	569,868	-	-
- Gain on disposals of property, plant and equipment	26	(6,764,172)	(495,325)	(502,489)	(495,325)
- Losses on write-off of property, plant and equipment		720,490	7,586,465	486,927	7,461,231
- Financial costs		125,488,835	117,018,179	60,016,574	48,556,910
- Employee benefit expenses	22	3,369,970	4,672,515	1,165,554	1,530,466
Cash flows before changes in operating assets and liabilities		556,594,527	504,216,886	(34,251,545)	1,197,326
Change in operating assets and liabilities					
- Trade and other receivables		74,929,001	(209,460,775)	191,013,111	(54,696,930)
- Farmer receivables		(108,688,532)	254,770,044	35,198,024	12,021,171
- Inventories		(105,749,748)	55,003,961	-	-
- Other current assets		24,662,936	(33,775,226)	7,786,750	8,419,098
- Other receivable-Office of the Cane and Sugar Fund		(155,848,895)	-	-	-
- Other non-current assets		(4,100,962)	596,008	-	879,481
- Trade and other payables		18,240,099	(352,700,133)	(103,252,413)	(2,536,259)
- Other current liabilities		(4,581,076)	(3,390,123)	(566,258)	2,129,147
- Employee benefit obligations	22	(300,080)	(163,350)	(91,080)	-
Cash generated from (used in) operating activities		295,157,270	215,097,292	95,836,589	(32,586,966)
- Income tax paid		(35,937,078)	(53,651,722)	(12,065,659)	(2,290,466)
- Interest paid		(120,125,682)	(118,360,125)	(54,894,656)	(50,804,641)
Net cash generated from (used in) operating activities		139,094,510	43,085,445	28,876,274	(85,682,073)

The accompanying notes on pages 11 to 50 are an integral part of these consolidated and company financial statements.

Buriram Sugar Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2015

		Consolidated		Company	
		2015	2014	2015	2014
Notes		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Interest received		24,707,039	3,850,748	159,654,370	57,094,574
Dividend received		153,510	153,510	-	-
Long-term borrowings to related parties		-	-	(1,208,378,312)	(1,731,789,499)
Purchase of investment in a subsidiary		-	-	(9,999,500)	-
Proceeds from disposals of property, plant and equipment		19,393,014	514,954	8,275,430	514,954
Purchases of property, plant and equipment		(1,339,342,135)	(1,309,322,802)	(152,935)	(1,486,239)
Capitalised borrowing costs to property, plant and equipment		(35,340,141)	(50,010,310)	-	-
Net cash used in investing activities		(1,330,428,713)	(1,354,813,900)	(1,050,600,947)	(1,675,666,210)
Cash flows from financing activities					
Proceeds from/ (repayments on) short-term borrowings					
from financial institutions	20	(727,397,820)	694,359,624	95,000,000	870,000,000
Proceeds from long-term borrowings from financial institutions	20	1,709,277,400	-	-	-
Proceeds from issuance of debentures	20	850,000,000	-	850,000,000	-
Repayments on long-term borrowings from					
financial institutions and others	20	(627,565,809)	(164,244,553)	-	-
Repayments on hire-purchase liabilities	20	(12,178,691)	(15,636,762)	(10,656)	(1,179,778)
Proceeds from issuance of ordinary shares					
from non-controlling interests		1,500	1,112,344,013	-	1,112,343,563
Repayments on share payable		-	(999,400)	-	(999,400)
Dividend paid	24	(135,350,000)	-	(135,350,000)	-
Dividend paid to non-controlling interests		(60,440)	-	-	-
Net cash generated from financing activities		1,056,726,140	1,625,822,922	809,639,344	1,980,164,385
Net increase/ (decrease) in cash and cash equivalents		(134,608,063)	314,094,467	(212,085,329)	218,816,102
Opening balance		348,532,521	34,438,054	223,683,992	4,867,890
Closing balance		213,924,458	348,532,521	11,598,663	223,683,992

Non-cash transactions

Purchases of property, plant and equipment					
under hire-purchase liabilities		16,990,862	5,100,646	-	-

The accompanying notes on pages 11 to 50 are an integral part of these consolidated and company 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 1st Branch: Located at 128/77-78, 7th floor, Phayathai Plaza Building, Tungphayathai Ratchathewee Bangkok 10400.

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

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

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

The consolidated and company financial statements were authorised for issue by the Board of Directors on 26 February 2016.

2 Financial status

As at 31 December 2015, the Group and the Company have current liabilities greater than current assets of Baht 235 million and Baht 1,253 million, respectively. However, the Group has obtained additional long-term credit facilities with a local financial institution to settle the current liabilities. The Group has expected to complete the settlement by December 2016. 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 company financial statements are set out below:

3.1 Basis for preparation

The consolidated and company 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 company 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 5.

An English version of the consolidated and company 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 financial reporting standards and revised financial reporting standards

- a) New financial reporting standards and revised financial reporting standards which are effective on 1 January 2015 are as follows:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of cash flows
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 11 (revised 2014)	Construction contracts
TAS 12 (revised 2014)	Income taxes
TAS 16 (revised 2014)	Property, plant and equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee benefits
TAS 20 (revised 2014)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 23 (revised 2014)	Borrowing costs
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 29 (revised 2014)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2014)	Earnings per share
TAS 34 (revised 2014)	Interim financial reporting
TAS 36 (revised 2014)	Impairment of assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment property
TFRS 2 (revised 2014)	Share-based payment
TFRS 3 (revised 2014)	Business combinations
TFRS 5 (revised 2014)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2014)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2014)	Operating segments
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interests in other entities
TFRS 13	Fair value measurement
TSIC 10 (revised 2014)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 25 (revised 2014)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2014)	Service concession arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2014)	Intangible assets - Web site costs
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2014)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds

3 Accounting policies (Cont'd)

3.2 New financial reporting standards and revised financial reporting standards (Cont'd)

- a) New financial reporting standards and revised financial reporting standards which are effective on 1 January 2015 are as follows: (Cont'd)

TFRIC 7 (revised 2014)	Applying the restatement approach under TAS29 (revised 2014) Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 12 (revised 2014)	Service concession arrangements
TFRIC 13 (revised 2014)	Customer loyalty programmes
TFRIC 14	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TFRIC 17 (revised 2014)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2014)	Transfers of assets from customers
TFRIC 20	Stripping costs in the production phase of a surface mine

The Group has applied the aforementioned financial reporting standards from 1 January 2015. However, the application of those financial reporting standards has no significant impacts to the financial statements being presented, except the following accounting standards:

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in "other comprehensive income" (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI but the Group must refer to the relevant financial reporting standards. The Group has reclassified the items in OCI as required by this standard.

TFRS 13 aims to improve consistency and to reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the group, except for disclosure.

- b) Revised financial reporting standards which are effective on 1 January 2016 and the Group are not early adopted 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

3 Accounting policies (Cont'd)

3.2 New financial reporting standards and revised financial reporting standards (Cont'd)

- b) Revised financial reporting standards which are effective on 1 January 2016 and the Group are not early adopted are as follows: (Cont'd)

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	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
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 (revised 2015) 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	Levies

The Group will apply the aforementioned financial reporting standards from 1 January 2016. 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 the acquiree and the equity interest issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. 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 losses on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

A list of the Group's principal subsidiaries and the effect from the acquisition and disposal of subsidiaries have been disclosed in Note 13.

3 Accounting policies (Cont'd)

3.3 Group accounting - Investment in subsidiaries (Cont'd)

(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.

3.4 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 consolidated and Company 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 consolidated and Company statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

3 Accounting policies (Cont'd)

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.

3.8 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.

3 Accounting policies (Cont'd)

3.8 Other investments (Cont'd)

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 buildings 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.

3.10 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 Accounting policies (Cont'd)

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 a 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 a 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 lessor) 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.

3 Accounting policies (Cont'd)

3.15 Current and deferred income tax (Cont'd)

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.

3.16 Employee benefits

Group companies 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.

Actuarial 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 Accounting policies (Cont'd)

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.

3.18 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 7).

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.

4.2 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.

4 Financial risk management (Cont'd)

4.2 Pricing risk factors regarding raw materials and products (Cont'd)

4.2.1 Sugar cane and sugar prices fluctuation risk

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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- 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 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

5 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.

5.1 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).

5.2 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.

5.3 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.

Other key assumptions for the provision for employee benefits are disclosed in Note 22.

5.4 Raw material costs

The Group purchased sugar cane for the production season 2015/2016 using the initial sugar cane price which was announced by the Cane and Sugar Board's on 12 January 2016 adjusted by sweetness of sugar cane purchased to recognise raw materials and payables for the production season 2015/2016. As at the audit report date, the Cane and Sugar Board has not announced the final price of sugar cane for the production season 2015/2016 yet since the production season is not ended.

6 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.

7 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 50.45% 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 customers

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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7 Operating segments (Cont'd)

Operating segments of the Group are as follows:

For the years ended 31 December 2015 and 2014

Unit : Million Baht

	Sugar and Molasses business		Trading agriculture products		Electricity generation and distribution		Others		Total		Eliminated entries		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue from sales and services														
- Local	1,423	1,241	755	591	489	202	153	157	2,820	2,191	(688)	(400)	2,132	1,791
- Overseas	2,094	2,129	-	-	-	-	-	-	2,094	2,129	-	-	2,094	2,129
Total	3,517	3,370	755	591	489	202	153	157	4,914	4,320	(688)	(400)	4,226	3,920
Profit from operating segments	558	661	88	52	147	109	14	70	807	892	98	(62)	905	830
Administrative and selling expenses													(453)	(427)
Finance costs													(125)	(117)
Income tax expense													(54)	(50)
Net profit for the year													273	236
As at 31 December														
Inventories, net	593	483	125	136	10	4	-	-	728	623	(13)	(13)	715	610
Property, plant and equipment, net	2,624	1,957	120	116	1,525	469	12	522	4,281	3,064	(16)	(12)	4,265	3,052
Other assets, net	1,795	5,485	483	364	1,030	613	4,886	51	8,194	6,513	(6,412)	(4,790)	1,782	1,723
Total assets	5,012	7,925	728	616	2,565	1,086	4,898	573	13,203	10,200	(6,441)	(4,815)	6,762	5,385

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8 Cash and cash equivalents

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Cash on hand	400,000	310,000	70,000	70,000
Deposits held at call with banks	213,524,458	348,222,521	11,528,663	223,613,992
	<u>213,924,458</u>	<u>348,532,521</u>	<u>11,598,663</u>	<u>223,683,992</u>

As at 31 December 2015, the weighted average effective interest rate of deposits held at call with banks was 0.40% per annum (2014: 0.50% per annum).

9 Trade and other receivables, net

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
<u>Trade receivables - third parties, net</u>				
Current	69,405,952	40,025,449	49,096	4,716
Overdue:				
Up to 3 months	8,553,512	8,289,685	-	-
Over 3 months less than 12 months	4,232,270	449,368	-	26,390
Over 12 months	8,594,383	8,889,873	8,250,423	8,250,423
	<u>90,786,117</u>	<u>57,654,375</u>	<u>8,299,519</u>	<u>8,281,529</u>
<u>Less</u> Allowance for doubtful accounts	<u>(8,250,423)</u>	<u>(8,250,423)</u>	<u>(8,250,423)</u>	<u>(8,250,423)</u>
	<u>82,535,694</u>	<u>49,403,952</u>	<u>49,096</u>	<u>31,106</u>
<u>Trade receivables - related parties</u>				
Current	6,669,397	10,293,402	10,171,741	28,734,529
Overdue:				
Up to 3 months	491,248	114,800,382	2,268,894	18,290,745
Over 3 months less than 12 months	168,333	419,751	6,064,760	1,335,360
Over 12 months	200,680	232,370	6,685,360	28,807,692
	<u>7,529,658</u>	<u>125,745,905</u>	<u>25,190,755</u>	<u>77,168,326</u>
<u>Other receivables</u>				
Advance payments	2,838,224	2,027,953	1,269,116	6,500
Prepaid expenses	102,633,885	113,674,882	9,624,017	11,131,834
Accrued other income - third parties	32,407,107	8,761,427	-	-
Accrued interest income - related parties	-	-	29,323,530	25,807,312
Other receivables - third parties	-	3,259,450	-	-
Other receivables - related parties	-	-	-	8,505
Accrued dividend income - related parties	-	-	98,309,530	141,049,735
	<u>137,879,216</u>	<u>127,723,712</u>	<u>138,526,193</u>	<u>178,003,886</u>
Total trade and other receivables, net	<u>227,944,568</u>	<u>302,873,569</u>	<u>163,766,044</u>	<u>255,203,318</u>

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10 Farmer receivables, net

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Farmer receivables	989,210,595	880,522,063	86,501,469	121,699,493
<u>Less</u> Allowance for doubtful accounts	(80,711,332)	(109,729,703)	(75,601,469)	(106,058,047)
	<u>908,499,263</u>	<u>770,792,360</u>	<u>10,900,000</u>	<u>15,641,446</u>

Outstanding farmer receivables can be analysed as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Season 2016/2017	236,451,857	-	-	-
Season 2015/2016	618,460,168	44,460,648	-	-
Season 2014/2015	40,880,969	703,048,637	-	-
Season 2013/2014	4,486,709	6,868,096	-	-
Season 2012/2013	1,339,364	3,200,867	-	-
Season 2011/2012	1,090,059	1,244,322	-	-
Before season 2011/2012	86,501,469	121,699,493	86,501,469	121,699,493
	<u>989,210,595</u>	<u>880,522,063</u>	<u>86,501,469</u>	<u>121,699,493</u>
<u>Less</u> Allowance for doubtful account	(80,711,332)	(109,729,703)	(75,601,469)	(106,058,047)
	<u>908,499,263</u>	<u>770,792,360</u>	<u>10,900,000</u>	<u>15,641,446</u>

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

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Season 2016/2017	2,563,549	-	-	-
Season 2015/2016	14,133,297	6,415,582	-	-
Season 2014/2015	-	13,032,400	-	-
Before season 2011/2012	-	413,932	-	413,932
	<u>16,696,846</u>	<u>19,861,914</u>	<u>-</u>	<u>413,932</u>

11 Inventories, net

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Raw materials	37,196,022	23,983,518	-	-
Finished goods	574,317,732	460,402,429	-	-
Merchandise inventories	63,484,999	84,928,930	-	-
Work in process	4,670,201	10,849,811	-	-
Factory supplies	37,293,624	31,048,142	-	-
	<u>716,962,578</u>	<u>611,212,830</u>	<u>-</u>	<u>-</u>
<u>Less</u> Allowance for obsolete and damaged inventories	(1,755,681)	(671,427)	-	-
	<u>715,206,897</u>	<u>610,541,403</u>	<u>-</u>	<u>-</u>

The cost of inventories recognised as expenses and included in 'cost of sales' amounting to Baht 3,082.10 million (2014: Baht 2,881.54 million).

As at 31 December 2015, the Group has no inventories pledged as a security for borrowings (2014: Baht 57.35 million).

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12 Other current assets

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Refundable input VAT	32,041,376	44,816,032	207,913	1,196,267
Undued input VAT	12,636,421	22,814,964	8,964,753	15,747,947
Others	4,027,684	5,737,421	302,234	317,436
	48,705,481	73,368,417	9,474,900	17,261,650

13 Investments in subsidiaries

The movements of investments in subsidiaries for the years ended 31 December 2015 and 2014 are as follows:

	Company	
	2015 Baht	2014 Baht
Beginning balance	1,270,478,100	1,270,478,100
Acquisitions	9,999,500	-
Ending balance	1,280,477,600	1,270,478,100

The details of investments 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	
	2015 Million Baht	2014 Million Baht	2015 Percentage	2014 Percentage	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Buriram Sugar Factory Co., Ltd.	1,050	1,050	99.90	99.90	1,049	1,049	63	105
Buriram Sugarcane Research and Development Co., Ltd	71	71	99.99	99.99	70	70	-	-
Buriram Energy Co., Ltd. and subsidiaries	136	136	99.99	99.99	136	136	27	34
- Buriram Power Co., Ltd.	170	170	99.99	99.99	-	-	-	-
- Buriram Power Plus Co., Ltd	10	-	99.99	-	-	-	-	-
- Buriram Super Power Co., Ltd.	5	-	99.99	-	-	-	-	-
Key brand Fertilizer Co., Ltd.	15	15	99.99	99.99	15	15	6	2
Buriram Agro Energy Co., Ltd.	10	-	99.99	-	10	-	-	-
Total investments in subsidiaries					1,280	1,270	96	141

Changes of investments in subsidiaries for the period ended 31 December 2015 comprises of:

Buriram Power Plus Company Limited

On 23 January 2015, Buriram Power Plus Company Limited was registered with the Ministry of Commerce with 100,000 ordinary shares at par value of Baht 100 per share, totalling Baht 10 million. The entity is controlled by Buriram Energy Company Limited which owns 99.99% of the ordinary shares.

Buriram Agro Energy Company Limited

On 8 June 2015, Buriram Agro Energy Company Limited was registered with the Ministry of Commerce with 100,000 ordinary shares at par value of Baht 100 per share, totalling Baht 10 million. The entity is controlled by Buriram Sugar Public Company Limited which owns 99.99% of the ordinary shares.

13 Investments in subsidiaries (Cont'd)

Changes of investments in subsidiaries for the period ended 31 December 2015 comprises of: (Cont'd)

Buriram Super Power Company Limited

On 22 June 2015, Buriram Super Power Company Limited was registered with the Ministry of Commerce with 50,000 ordinary shares at par value of Baht 100 per share, totalling Baht 5 million. The entity is controlled by Buriram Energy Company Limited which owns 99.99% of the ordinary shares.

All subsidiaries undertakings are included in the consolidation. The proportion of the voting rights in the subsidiaries undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

14 Other long-term investments, net

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Marketable equity securities				
- available-for sales	570,520	500,000	570,520	500,000
<u>Less</u> Allowances for revaluation of investments	(76,820)	70,520	(76,820)	70,520
	<u>493,700</u>	<u>570,520</u>	<u>493,700</u>	<u>570,520</u>
General investments – equity securities	1,409,950	1,409,950	2,175	2,175
Other long-term investments, net	<u>1,903,650</u>	<u>1,980,470</u>	<u>495,875</u>	<u>572,695</u>

Movement of other long-term investments for the year ended 31 December 2015 are as follows:

	Consolidated		
	General investments	Available-for-sale securities	Total
	Baht	Baht	Baht
Opening net book amount	1,409,950	570,520	1,980,470
Changes in fair value	-	(76,820)	(76,820)
Closing net book amount	<u>1,409,950</u>	<u>493,700</u>	<u>1,903,650</u>

	Company		
	General investments	Available-for-sale securities	Total
	Baht	Baht	Baht
Opening net book amount	2,175	570,520	572,695
Changes in fair value	-	(76,820)	(76,820)
Closing net book amount	<u>2,175</u>	<u>493,700</u>	<u>495,875</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.

15 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 recognized 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.

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16 Property, plant and equipment, net

	Consolidated							
	Land and land improvement Baht	Building and building improvement Baht	Machinery and tools Baht	Agriculture equipment and tools Baht	Furniture, fixtures and office equipment Baht	Motor vehicles Baht	Assets under installment and construction Baht	Total Baht
As at 31 December 2013								
Cost	76,134,788	390,356,401	1,070,753,665	32,880,454	58,396,464	109,023,998	372,482,438	2,110,028,208
<u>Less</u> Accumulated depreciation	-	(33,794,154)	(196,869,799)	(7,195,967)	(18,999,453)	(52,862,928)	-	(309,722,301)
Net book amount	<u>76,134,788</u>	<u>356,562,247</u>	<u>873,883,866</u>	<u>25,684,487</u>	<u>39,397,011</u>	<u>56,161,070</u>	<u>372,482,438</u>	<u>1,800,305,907</u>
For the year ended 31 December 2014								
Opening net book amount	76,134,788	356,562,247	873,883,866	25,684,487	39,397,011	56,161,070	372,482,438	1,800,305,907
Additions	22,024,714	1,901,493	11,310,467	8,297,216	12,305,044	5,274,515	1,291,330,438	1,352,443,887
Transfer in (out)	-	79,686,059	3,388,081	1,619,866	1,306,977	-	(86,000,983)	-
Disposals, net	-	(40,831)	(3,344,927)	(273,979)	(4,507,410)	(3)	-	(8,167,150)
Depreciation charges	-	(18,107,902)	(50,534,682)	(6,854,883)	(8,741,588)	(8,346,204)	-	(92,585,259)
Closing 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>
As at 31 December 2014								
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>
For the year ended 31 December 2015								
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)	(8,659,168)
Reclassification	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>
As at 31 December 2015								
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)	-	(513,371,409)
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>

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16 Property, plant and equipment, net (Cont'd)

As at 31 December 2015, finance lease liabilities included in property, plant and equipment at the net book value of Baht 47.44 million (2014: Baht 51.28 million).

As at 31 December 2015, the Group has building and equipment which are fully depreciated but still in use with costs value of Baht 26.20 million (2014: Baht 35.80 million).

As at 31 December 2015, property, plant, and equipment at the net book value of Baht 2,096 million are pledged as collaterals for financial institution borrowings from a financial institution (2014: Baht 1,414 million) (Note 18).

Borrowing costs of Baht 35.30 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 5.90% - 6.75% (2014 : 4.50% - 7.25%).

	Company				
	Building and building improvement Baht	Machinery and tools Baht	Furniture, fixtures and office equipment Baht	Motor vehicles Baht	Total Baht
As at 31 December 2013					
Cost	14,360,659	16,194,029	18,199,878	38,372,015	87,126,581
<u>Less</u> Accumulated depreciation	(7,582,277)	(6,454,415)	(8,912,117)	(32,403,549)	(55,352,358)
Net book amount	<u>6,778,382</u>	<u>9,739,614</u>	<u>9,287,761</u>	<u>5,968,466</u>	<u>31,774,223</u>
For the year ended 31 December 2014					
Opening net book amount	6,778,382	9,739,614	9,287,761	5,968,466	31,774,223
Additions	343,915	-	764,491	-	1,108,406
Disposals, net	-	(3,344,927)	(4,235,191)	(2)	(7,580,120)
Depreciation charges	(250,694)	(992,405)	(859,470)	(961,157)	(3,063,726)
Closing 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>
As at 31 December 2014					
Cost	14,704,574	9,732,658	8,636,860	35,822,015	68,896,107
<u>Less</u> Accumulated depreciation	(7,832,971)	(4,330,376)	(3,679,269)	(30,814,708)	(46,657,324)
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>
For the year ended 31 December 2015					
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	(261,256)	(566,314)	(781,973)	(957,457)	(2,567,000)
Closing net book amount	<u>6,647,579</u>	<u>-</u>	<u>1,476,645</u>	<u>3,440,627</u>	<u>11,564,851</u>
As at 31 December 2015					
Cost	14,737,764	-	2,525,978	28,110,913	45,374,655
<u>Less</u> Accumulated depreciation	(8,090,185)	-	(1,049,333)	(24,670,286)	(33,809,804)
Net book amount	<u>6,647,579</u>	<u>-</u>	<u>1,476,645</u>	<u>3,440,627</u>	<u>11,564,851</u>

As at 31 December 2015, no finance lease liabilities included in property, plant and equipment (2014: Baht 4.08 million).

As at 31 December 2015, property and equipment which are fully depreciated but still in use with costs value of Baht 16.84 million (2014: Baht 23.32 million).

15 Property, plant and equipment, net (Cont'd)

Depreciation charge for the years ended 31 December 2015 and 2014 is as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Depreciation charge for property, plant and equipment				
- Cost of sales	137,058,018	75,844,938	-	-
- Administrative expenses	21,861,586	16,740,321	2,567,000	3,063,726
	<u>158,919,604</u>	<u>92,585,259</u>	<u>2,567,000</u>	<u>3,063,726</u>

17 Intangible asset, net

	Consolidated			
	Computer software	Right to use assets	Right to use assets under construction	Total
	Baht	Baht	Baht	Baht
As at 1 January 2014				
Cost	-	-	-	-
<u>Less</u> Accumulated amortisation	-	-	-	-
Net book amount	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
For the year ended 31 December 2014				
Opening net book amount	-	-	-	-
Additions	-	-	12,008,156	12,008,156
Closing net book amount	<u>-</u>	<u>-</u>	<u>12,008,156</u>	<u>12,008,156</u>
As at 31 December 2014				
Cost	-	-	12,008,156	12,008,156
<u>Less</u> Accumulated amortisation	-	-	-	-
Net book amount	<u>-</u>	<u>-</u>	<u>12,008,156</u>	<u>12,008,156</u>
For the year ended 31 December 2015				
Opening net book amount	-	-	12,008,156	12,008,156
Reclassification	3,450,575	-	-	3,450,575
Additions	2,802,540	-	559,168	3,361,708
Transfer in (out)	-	12,567,324	(12,567,324)	-
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>-</u>	<u>17,214,881</u>
As at 31 December 2015				
Cost	6,935,790	12,567,324	-	19,503,114
<u>Less</u> Accumulated amortisation	<u>(1,826,857)</u>	<u>(461,376)</u>	<u>-</u>	<u>(2,288,233)</u>
Net book amount	<u>5,108,933</u>	<u>12,105,948</u>	<u>-</u>	<u>17,214,881</u>

18 Deferred tax assets, net

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

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	351,136	134,285	-	-
Deferred tax assets to be recovered more than 12 months	215,112,618	224,737,721	11,146,337	12,145,179
	<u>215,463,754</u>	<u>224,872,006</u>	<u>11,146,337</u>	<u>12,145,179</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	-	-	-	-
Deferred tax liabilities to be settled more than 12 months	(13,489,405)	(13,489,405)	-	-
	<u>(13,489,405)</u>	<u>(13,489,405)</u>	<u>-</u>	<u>-</u>
Deferred tax assets, net	<u>201,974,349</u>	<u>211,382,601</u>	<u>11,146,337</u>	<u>12,145,179</u>

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

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
At 1 January	211,382,601	234,484,632	12,145,179	13,963,895
Charged/(credited) to profit or loss	(9,200,888)	(21,825,492)	(843,481)	(1,205,527)
Charged/(credited) to comprehensive income	(207,364)	(1,276,539)	(155,361)	(613,189)
At 31 December	<u>201,974,349</u>	<u>211,382,601</u>	<u>11,146,337</u>	<u>12,145,179</u>

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18 Deferred tax assets, net (Cont'd)

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

	Consolidated							
	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 sale investments Baht	Intangible assets Baht	Deferred revenue Baht
Deferred tax assets								
At 1 January 2015	203,140,003	6,167,410	10,529,790	134,285	4,900,518	-	-	-
Charged/(credited) to profit or loss	(13,759,213)	391,248	(969,599)	(216,851)	(1,496,932)	-	5,937,500	479,257
Charged/(credited) to comprehensive income	-	(222,728)	-	-	-	15,364	-	-
At 31 December 2015	189,380,790	6,335,930	9,560,191	351,136	3,403,586	15,364	5,937,500	479,257
At 1 January 2014	219,621,069	6,542,114	12,173,932	7,800,677	1,836,245	-	-	-
Charged/(credited) to profit or loss	(16,481,066)	901,835	(1,644,142)	(7,666,392)	3,064,273	-	-	-
Credited to comprehensive income	-	(1,276,539)	-	-	-	-	-	-
At 31 December 2014	203,140,003	6,167,410	10,529,790	134,285	4,900,518	-	-	-

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.

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18 Deferred tax assets, net (Cont'd)

	Consolidated Depreciation Baht
Deferred tax liabilities	
At 1 January 2015	13,489,405
Charged to profit or loss	-
At 31 December 2015	<u>13,489,405</u>
Deferred tax liabilities	
At 1 January 2014	13,489,405
Charged to profit or loss	-
At 31 December 2014	<u>13,489,405</u>

	Company			
	Provision for employee benefits Baht	Allowance for doubtful Baht	Fair value adjustment available-for-sale investments Baht	Total Baht
Deferred tax assets				
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>
At 1 January 2014	2,656,815	11,307,080	-	13,963,895
Charged/(credited) to profit or loss	306,093	(1,511,620)	-	(1,205,527)
Credited to comprehensive income	(613,189)	-	-	(613,189)
At 31 December 2014	<u>2,349,719</u>	<u>9,795,460</u>	<u>-</u>	<u>12,145,179</u>

19 Trade and other payables

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Trade payables - third parties	300,961,185	277,566,601	1,564,307	1,304,009
Trade payables - related parties	1,079,608	4,770,117	136,437,972	240,081,581
Accrued expenses - third parties	43,879,927	27,376,513	6,081,802	1,216,911
Accrued expenses - related parties	8,046,427	9,659,590	-	-
Advance received for goods	125,188,898	144,545,281	180,000	-
Deferred revenue from Office of the Cane and Sugar Fund	2,396,286	-	-	-
Other payables - third parties	28,440,109	22,563,216	-	-
Other payables - related parties	2,270,608	2,178,477	939,751	731,826
	<u>512,263,048</u>	<u>488,659,795</u>	<u>145,203,832</u>	<u>243,334,327</u>

20 Borrowings

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Current				
Bank overdrafts	8,344	34,435,771	-	-
Short-term borrowings from financial institutions	1,481,960,256	2,174,930,649	1,365,000,000	1,270,000,000
Current portion of long-term borrowings:				
- Financial institutions	304,304,422	159,878,070	-	-
- Hire purchases	10,566,953	10,150,845	-	10,656
Total current borrowings	1,796,839,975	2,379,395,335	1,365,000,000	1,270,010,656
Non-Current portion				
Long-term borrowings from financial institutions	1,390,186,734	452,901,495	-	-
Hire purchases	14,069,629	9,673,567	-	-
Debentures	850,000,000	-	850,000,000	-
Total non-current portion of long-term borrowings	2,254,256,363	462,575,062	850,000,000	-
Total borrowings	4,051,096,338	2,841,970,397	2,215,000,000	1,270,010,656

As at 31 December 2015 and 2014, all borrowings are in Thai Baht currency.

As at 31 December 2015, the Group has no inventories pledged as a security for borrowings (2014: Baht 57.35 million) (Note 10).

As at 31 December 2015, long-term borrowings from financial institutions were secured by pledge of property, plant and equipment at net book value of Baht 2,096 million (2014 : Baht 1,414 million) (Note 15).

Under the long-term borrowing agreements, the Group has to comply with terms and conditions as specified in the agreements, for examples, to maintain shareholdering structure ratio, to manain 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 2015, short-term borrowings are bills of exchange and promissory notes with financial institutions at Baht 1,481.96 million in the consolidated financial statements and Baht 1,365 million in the company financial statements. These promissory notes bear interest at the rates between 3.40% and 5.50% per annum with 3-6 month period maturities (2014: Baht 2,174.93 million and Baht 1,270 million in the consolidated and company financial statements, respectively, bear interest at the rates between 2.40% and 6.88% per annum with 3-6 month period maturities).

20 Borrowings (Cont'd)

The movements of long-term borrowings (excluded hire-purchase liabilities) for the year ended 31 December 2015 and 2014 is as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Opening balance	612,779,565	777,024,118	-	-
Additions	1,709,277,400	-	-	-
Issuance of debentures	850,000,000	-	850,000,000	-
Repayment	(627,565,809)	(164,244,553)	-	-
Closing balance	<u>2,544,491,156</u>	<u>612,779,565</u>	<u>850,000,000</u>	<u>-</u>

Movement of long-term borrowings and debentures during the year ended 31 December 2015 is as follow:

Long-term borrowings

All new long-term borrowings are long-term loans of a subsidiary of the Company entered into with a local financial institution as detailed below.

- On 23 January 2015, the subsidiary entered into a credit facility agreement with a financial institution of Baht 460 million. The loan is guaranteed by the ultimate parent company. 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 6 years at the minimum payable amount of Baht 72 million per year. The remaining principal will be paid in the last year. As at 31 December 2015, the subsidiary has outstanding loan at Baht 460 million.
- On 18 March 2015, the same subsidiary entered into additional credit facility agreement with the financial institution of Baht 300 million. The loan is guaranteed by the ultimate parent company and pledged by property, plant and equipment of the subsidiary. The loan bears interest at MLR minus a certain margin per annum. The interest is paid on a monthly basis, whereas the principal is repaid annually within the 6 years 6 months. The principal is repayable equally at each year, commencing 30 June 2016. As at 31 December 2015, the subsidiary has outstanding loan at Baht 275 million.
- On 28 July 2015, the same subsidiary entered into additional credit facility agreement with the same financial institution of Baht 365 million. The loan is guaranteed by the ultimate parent company. 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 6 years at the minimum payable amount of Baht 60.9 million per year, commencing 2016. As at 31 December 2015, the subsidiary has outstanding loan at Baht 280 million.

Debentures

- 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.
- 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 be redeemed on 26 November 2017. The redeemed amount is as same as the face value of Baht 600 million.

20 Borrowings (Cont'd)

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

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Long-term borrowings and debentures				
- At fixed rates	850,000,000	-	850,000,000	-
- At floating rates	1,694,491,156	612,779,565	-	-
Total	2,544,491,156	612,779,565	850,000,000	-

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

	Consolidated		Company	
	2015 %	2014 %	2015 %	2014 %
Bank overdrafts	7.18	7.50	-	-
Short-term borrowings from financial institutions	4.02	5.00	4.09	5.43
Long-term borrowings from financial institutions	5.37	6.77	-	-
Debentures	4.44	-	4.44	-

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

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Within 1 year	304,304,422	159,878,070	-	-
Later than 1 year but not later than 5 years	1,989,735,412	452,901,495	850,000,000	-
Later than 5 years	250,451,322	-	-	-
	2,544,491,156	612,779,565	850,000,000	-

Credit facilities

As at 31 December 2015, the Group had financial credit limit of long-term borrowings from local financial institutions totaling of Baht 2,145 million with money market interest rate, which have not been drawn down amounting to Baht 229 million.

20 Borrowings (Cont'd)

Hire-purchase liabilities

The present value of hire-purchase liabilities as at 31 December 2015 and 2014 is as follows:

	Consolidated and Company		
	2015		
	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>
	Consolidated and Company		
	2014		
	Within 1 year Baht	2 - 5 years Baht	Total Baht
Hire-purchase liabilities-minimum payments	11,080,831	10,135,487	21,216,318
<u>Less</u> Deferred interest on hire purchases	(929,986)	(461,920)	(1,391,906)
	<u>10,150,845</u>	<u>9,673,567</u>	<u>19,824,412</u>

21 Other current liabilities

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Undued Output VAT	13,136,694	22,589,247	1,647,993	5,048,395
Revenue Department payables	-	668,255	-	-
Withholding tax payables	11,761,887	6,023,400	4,479,817	1,645,673
Others	2,009,470	2,208,225	-	-
	<u>26,908,051</u>	<u>31,489,127</u>	<u>6,127,810</u>	<u>6,694,068</u>

22 Employee benefit obligations

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Statements of financial position				
Retirement benefits	<u>32,793,290</u>	<u>30,837,042</u>	<u>11,969,450</u>	<u>11,748,599</u>
Statements of comprehensive income				
Retirement benefits	<u>3,369,970</u>	<u>4,672,515</u>	<u>1,165,554</u>	<u>1,530,468</u>

22 Employee benefit obligations (Cont'd)

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

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Beginning balance	30,837,042	32,710,569	11,748,599	13,284,077
Current service costs	2,102,173	3,292,315	708,918	981,862
Interest costs	1,267,797	1,380,200	456,636	548,604
Benefits paid	(300,080)	(163,350)	(91,080)	-
Actuarial gain	(1,113,642)	(6,382,692)	(853,623)	(3,065,944)
Ending balance	<u>32,793,290</u>	<u>30,837,042</u>	<u>11,969,450</u>	<u>11,748,599</u>

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	%	%	%	%
Discount rate	4.08%	4.28%	4.08%	4.28%
Future salary increases	4.23%	5%	4.23%	5%
Mortality rate	100% of TMO 2008	100% of TMO 2008	100% of TMO 2008	100% of TMO 2008
Resignation rate by span of age	0 - 20%	0 - 14%	0 - 20%	0 - 14%

	Consolidated		
	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	Decrease by 4.0%	Increase by 4.3%
Salary growth rate	0.5%	Increase by 4.2%	Decrease by 4.0%

	Company		
	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	Decrease by 3.9%	Increase by 4.1%
Salary growth rate	0.5%	Increase by 4.1%	Decrease by 3.9%

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.

22 Employee benefit obligations (Cont'd)

Through its defined benefit 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 24 years.

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

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

	Consolidated			
	Less than a year Baht million	Between 1-5 years Baht million	More than 5 years Baht million	Total Baht million
Retirement benefits	7.36	8.39	39.52	55.27

	Company			
	Less than a year Baht million	Between 1-5 years Baht million	More than 5 years Baht million	Total Baht million
Retirement benefits	3.2	2.5	14.8	20.5

23 Share capital

	Authorised number of shares	Issued and fully paid-up		
		Number of ordinary shares	Ordinary share Baht	Premium on share capital Baht
As at 1 January 2014	676,750,000	507,567,500	507,567,500	11,504,750
Issue of shares	-	169,182,500	169,182,500	943,161,063
As at 31 December 2014	676,750,000	676,750,000	676,750,000	954,665,813
Issue of shares	-	-	-	-
As at 31 December 2015	676,750,000	676,750,000	676,750,000	954,665,813

As at 31 December 2015, the total number of authorised ordinary shares is 676,750,000 shares (2014 : 676,750,000 shares) with a par value of Baht 1 per share (2014 : Baht 1 per share). The issued and fully paid-up ordinary shares is 676,750,000 shares.

Initial Public Offering

In October 2014, the Company offered its common shares to the initial public offering by issuing 169,182,500 common shares. The new shares were sold to the subscribers at price of Baht 6.80 per share (Baht 1 paid in capital and Baht 5.80 share premium) totalling Baht 1,150.44 million. The Company registered the increase in paid-up share capital with the Ministry of Commerce on 3 November 2014 and the shares of the Company begin trading in the Stock Exchange of Thailand on 6 November 2014. Directly attributable expenses of the initial public offering amounted to Baht 38.10 million were deducted from the premium on share capital received from new investors.

24 Dividends

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.

25 Legal reserve

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
At 1 January	18,096,416	1,857,898	9,439,650	1,857,898
Appropriation during the year	7,572,731	16,238,518	16,229,497	7,581,752
At 31 December	25,669,147	18,096,416	25,669,147	9,439,650

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.

26 Other income

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Interest income	24,707,039	3,850,748	163,170,588	70,065,260
Dividend income	153,510	153,510	96,059,620	141,049,735
Other services income	433,368	601,727	111,623,380	109,268,080
Reversal of allowance for doubtful accounts	5,890,816	727,660	5,890,816	727,660
Gain on disposals of property, plant and equipment	6,764,172	495,325	502,489	495,325
Gain on foreign exchange rate	6,124,926	9,792,503	-	-
Compensation for breach of sale contract	14,039,115	-	-	-
Others	11,093,892	18,091,828	612,965	2,790,380
	<u>69,206,838</u>	<u>33,713,301</u>	<u>377,859,858</u>	<u>324,396,440</u>

27 Expenses by nature

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

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Raw materials and supplies used	2,363,393,405	2,414,266,343	227,534	392,551
Depreciation and amortisation	160,525,162	93,128,031	2,567,000	3,540,819
Repair and maintenance expense	183,671,854	78,760,042	912,410	879,476
Transportation expenses	149,787,857	135,787,834	-	-
Staff costs	386,056,953	306,821,026	93,515,214	76,010,378
Fees paid to the Office of the Cane and Sugar Fund	319,575,472	301,360,238	-	-

28 Income tax

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Current tax:				
Current tax on profits for the year	44,021,599	28,328,244	18,462,221	2,656,791
Total current tax	44,021,599	28,328,244	18,462,221	2,656,791
Deferred tax:				
Origination and reversal of temporary differences	9,680,145	21,825,492	843,481	1,205,527
Total deferred tax	9,680,145	21,825,492	843,481	1,205,527
Total tax expense	53,701,744	50,153,736	19,305,702	3,862,318

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Profit before tax	326,048,908	286,463,017	191,701,675	151,777,219
Tax calculated at a tax rate of 20% (2014: 20%)	65,209,781	57,292,603	38,340,335	30,355,444
Tax effect of:				
Income not subject to tax	(33,040,005)	(11,613,397)	(23,120,135)	(27,293,043)
Expenses not deductible for tax purpose	21,531,968	4,474,530	4,085,502	799,917
Total tax expense	53,701,744	50,153,736	19,305,702	3,862,318

29 Basic earnings per share

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

	Consolidated		Company	
	2015	2014	2015	2014
Net profit attributable to shareholders of the Company (Baht)	271,964,585	235,967,740	172,395,973	147,914,901
Weighted average of issued ordinary shares during the year (Shares)	676,750,000	534,914,808	676,750,000	534,914,808
Basic earnings per share (Baht)	0.40	0.44	0.25	0.28

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

30 Related party transactions

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

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

As at 31 December 2015, the Company is controlled by Buriram Capital Co., Ltd., which owns 50% of the Company's issued shares (2014: 50%).

The following material transactions were carried out with related parties:

a) Business transactions with related parties

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Related parties : Subsidiaries				
Dividend income	-	-	96,059,620	141,049,735
Interest income	-	-	162,834,530	68,575,030
Other income	-	-	111,623,380	109,100,000
Administrative expenses	-	-	1,136,412	1,257,050
Other related parties				
Revenues from sales and services	2,068,353,688	2,135,044,696	-	-
Other income	240,000	200,000	-	120,000
Cost of sales and services	11,588,989	16,545,248	-	-
Selling expenses	54,423,628	99,059,213	-	-
Administrative expenses	-	175,480	-	-

During the year 2015, subsidiaries have purchased land from directors amounting to Baht 4.22 million. The payments have been made and assets have already transferred.

30 Related party transactions (Cont'd)

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

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Trade accounts receivables - related parties:				
Subsidiaries	-	-	25,190,755	77,168,326
Other related parties	7,529,658	125,745,905	-	-
	<u>7,529,658</u>	<u>125,745,905</u>	<u>25,190,755</u>	<u>77,168,326</u>
Farmer receivables - related parties				
Other related parties	<u>16,696,846</u>	<u>19,861,914</u>	<u>-</u>	<u>413,932</u>
Other receivables - related parties				
Subsidiaries	<u>-</u>	<u>-</u>	<u>127,633,060</u>	<u>166,865,552</u>
Trade accounts payables - related parties:				
Subsidiaries	-	-	136,437,972	240,081,581
Other related parties	1,079,608	4,770,117	-	-
	<u>1,079,608</u>	<u>4,770,117</u>	<u>136,437,972</u>	<u>240,081,581</u>
Other payables - related parties:				
Subsidiaries	-	-	-	84,700
Other related parties	10,317,035	11,838,067	939,751	647,126
	<u>10,317,035</u>	<u>11,838,067</u>	<u>939,751</u>	<u>731,826</u>

c) Long-term loans to subsidiaries

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
- Current portion of long-term loans	-	-	74,000,000	-
- Long-term loans	-	-	3,317,568,630	2,183,190,318
	<u>-</u>	<u>-</u>	<u>3,391,568,630</u>	<u>2,183,190,318</u>

As at 31 December 2015, interest rates for long-term borrowings to related parties were between 5.90% and 6.75% per annum (2014 : rates between 6.75% and 6.88% per annum).

d) Directors' and management's remuneration

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Short-term benefits	49,850,052	47,685,998	23,007,552	22,231,875
Post-retirement benefits	881,979	622,079	417,888	202,263
	<u>50,732,031</u>	<u>48,308,077</u>	<u>23,425,440</u>	<u>22,434,138</u>

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

30 Related party transactions (Cont'd)

e) Foreign currency forward contracts

The Group has entered into foreign currency forward contracts through Kahphol Co., Ltd. which is a related party, contract value amounting to USD 2,500 million (2014 : USD 28.50 million).

31 Fair values of financial assets and liabilities

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

The fair values of long-term loans to related parties and long-term loans 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	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Debentures	<u>850,000,000</u>	<u>-</u>	<u>850,359,565</u>	<u>-</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.

32 Promotion privileges

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

Certificate	Privilege section	Date	Nature of privilege business	First derived income date	Expiry date
2003(1)/2554	25, 26, 28, 31, 34, 35	17 August 2011	Generating electricity from biomass type 7.1	11 May 2012	11 May 2020
1006(1)/2558	25, 26, 28, 31, 34, 35	5 January 2015	Generating electricity from biomass type 7.1	7 April 2015	7 April 2035

In addition, BOI certificate No.2003(1)/2554 and 1006(1)/2558 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.

33 Commitments and contingent liabilities

(a) Capital commitments

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

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Property, plant and equipment	247,492,286	3,897,000	12,076,452	-

(b) Sales commitments

As at 31 December 2015, the Group had commitments relating to the sales agreements but not yet delivered amounting to Baht 42 million (2014: Baht 1,535 million).

(c) Commitments under Electricity sale/purchase agreements

Buriram Energy Co., Ltd, the subsidiary company has entered into electricity sale/purchase agreement with the Provincial Electricity Authority (PEA) with a term of 5 years from 11 May 2012, and can be extendable for another 5 years. Under the terms of the agreement, the subsidiary and PEA must comply with specified conditions.

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 agreement, the subsidiary and PEA must comply with specified conditions.

(d) Bank guarantees

As at 31 December 2015, 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 (2014: Baht 3.6 million).

As at 31 December 2015, a subsidiary had outstanding letter of guarantee of Baht 50 million issued by a local financial institution as a collateral of another local financial institution for loans (2014 : None).

34 Event after the reporting period

At the Company's Board of Directors' meeting on 26 February 2016, it approved a dividend payment for the operating result of 2015 at Baht 0.22 per share for 676,750,000 ordinary shares, amounting to Baht 148,885,000. However, the approval for the dividend payment shall be proposed to the Annual Shareholders' Meeting for the year 2016 for further consideration and approval.