

Thai Agro Energy Public Company Limited
Report and interim financial statements
For the three-month and six-month periods ended
30 June 2018

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Thai Agro Energy Public Company Limited

I have reviewed the accompanying statement of financial position of Thai Agro Energy Public Company Limited as at 30 June 2018, the related statements of comprehensive income for the three-month and six-month periods ended 30 June 2018, the related statements of changes in shareholders' equity and cash flows for the six-month periods then ended, as well as the condensed notes to the financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

EY Office Limited

Bangkok: 7 August 2018

Thai Agro Energy Public Company Limited**Statement of financial position****As at 30 June 2018**

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>30 June 2018</u>	<u>31 December 2017</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		31,888	35,313
Current investment - open fund		1,032	1,026
Trade and other receivables	4	241,105	212,815
Inventories		384,067	122,902
Advance payments for purchase of goods		247,691	38,419
Current tax assets		9,559	9,559
Valued added tax refundable		30,240	-
Other current assets		<u>5,284</u>	<u>4,523</u>
Total current assets		<u>950,866</u>	<u>424,557</u>
Non-current assets			
Property, plant and equipment	5	2,627,164	2,398,322
Intangible assets		2,935	1,866
Deferred tax assets		2,440	3,464
Other non-current assets		<u>969</u>	<u>2,085</u>
Total non-current assets		<u>2,633,508</u>	<u>2,405,737</u>
Total assets		<u><u>3,584,374</u></u>	<u><u>2,830,294</u></u>

The accompanying notes are an integral part of the financial statements.

Thai Agro Energy Public Company Limited
Statement of financial position (continued)
As at 30 June 2018

(Unit: Thousand Baht)

<u>Note</u>	<u>30 June 2018</u>	<u>31 December 2017</u>
	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity		
Current liabilities		
Short-term loans from financial institutions	6	1,482,698
Trade and other payables	7	196,664
Current portion of liabilities under finance lease agreements		2,734
Current portion of long-term loan	8	27,757
Income tax payable		4,769
Provision for short-term employee benefits		1,630
Other current liabilities		11,606
Total current liabilities	1,727,858	1,197,532
Non-current liabilities		
Liabilities under finance lease agreements - net of current portion		1,568
Long-term loan from financial institutions	8	150,830
Provision for long-term employee benefits		2,747
Total non-current liabilities	155,145	4,852
Total liabilities	1,883,003	1,202,384
Shareholders' equity		
Share capital		
Registered		
1,000,000,000 ordinary shares of Baht 1 each	1,000,000	1,000,000
Issued and fully paid up		
1,000,000,000 ordinary shares of Baht 1 each	1,000,000	1,000,000
Share premium	188,796	188,796
Capital reserve for share-based payment transactions	556	556
Retained earnings		
Appropriated - statutory reserve	100,000	100,000
Appropriated - general reserve	192,000	192,000
Unappropriated	220,019	146,558
Total shareholders' equity	1,701,371	1,627,910
Total liabilities and shareholders' equity	3,584,374	2,830,294
	-	-

The accompanying notes are an integral part of the financial statements.

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Directors
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(Unaudited but reviewed)

Thai Agro Energy Public Company Limited

Statement of comprehensive income

For the three-month and six-month periods ended 30 June 2018

(Unit: Thousand Baht except earnings per share expressed in Baht)

		For the three-month periods		For the six-month periods	
		ended 30 June		ended 30 June	
	Note	2018	2017	2018	2017
Profit or loss:					
Revenues					
Sales		715,415	786,904	1,321,696	1,536,763
Other income		498	679	1,000	1,017
Total revenues		715,913	787,583	1,322,696	1,537,780
Expenses					
Cost of sales		621,914	720,385	1,131,028	1,368,483
Selling expenses		2,998	1,899	7,262	4,393
Administrative expenses		16,488	13,536	33,677	24,813
Loss from flood event	9	-	-	2,251	-
Total expenses		641,400	735,820	1,174,218	1,397,689
Profit before finance cost and income tax expenses		74,513	51,763	148,478	140,091
Finance cost		(10,740)	(9,290)	(19,224)	(18,850)
Profit before income tax expenses		63,773	42,473	129,254	121,241
Income tax expenses	10	(4,795)	(1,801)	(5,793)	(8,737)
Profit for the period		58,978	40,672	123,461	112,504
Other comprehensive income					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		58,978	40,672	123,461	112,504
Earnings per share					
11					
Basic earnings per share					
Profit (Baht)		0.06	0.04	0.12	0.11
Weighted average number of ordinary shares					
(Thousand shares)		1,000,000	1,000,000	1,000,000	1,000,000

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thai Agro Energy Public Company Limited**Statement of changes in shareholders' equity****For the six-month period ended 30 June 2018**

(Unit: Thousand Baht)

	Issued and fully paid up		Capital reserve for share-based payment transactions	Retained earnings			Total
				Appropriated		Unappropriated	
				Statutory reserve	General reserve		
share capital	Share premium		reserve	reserve			
Balance as at 1 January 2017	1,000,000	188,796	556	100,000	-	442,298	1,731,650
Profit for the period	-	-	-	-	-	112,504	112,504
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	112,504	112,504
Dividend paid (Note 12)	-	-	-	-	-	(50,000)	(50,000)
Unappropriated retained earnings transferred to general reserve (Note 12)	-	-	-	-	192,000	(192,000)	-
Balance as at 30 June 2017	<u>1,000,000</u>	<u>188,796</u>	<u>556</u>	<u>100,000</u>	<u>192,000</u>	<u>312,802</u>	<u>1,794,154</u>
Balance as at 1 January 2018	1,000,000	188,796	556	100,000	192,000	146,558	1,627,910
Profit for the period	-	-	-	-	-	123,461	123,461
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	123,461	123,461
Dividend paid (Note 12)	-	-	-	-	-	(50,000)	(50,000)
Balance as at 30 June 2018	<u>1,000,000</u>	<u>188,796</u>	<u>556</u>	<u>100,000</u>	<u>192,000</u>	<u>220,019</u>	<u>1,701,371</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thai Agro Energy Public Company Limited

Cash flow statement

For the six-month period ended 30 June 2018

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Profit before tax	129,254	121,241
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	78,273	69,408
Reversal of reduction of inventory to net realisable value	(555)	-
Gain on sales of current investments	(6)	(39)
Provision for long-term employee benefits	1,129	1,062
Interest income	(73)	(78)
Interest expenses	<u>19,159</u>	<u>18,783</u>
Profit from operating activities before changes in operating assets and liabilities	227,181	210,377
Operating assets (increase) decrease		
Trade and other receivables	(28,291)	(108,431)
Inventories	(260,610)	(194,985)
Advance payments for purchase of goods	(209,272)	480,948
Other current assets	(31,001)	29,010
Other non-current assets	1,116	-
Operating liabilities increase (decrease)		
Trade and other payables	(4,174)	(43,955)
Other current liabilities	(2,670)	5,079
Provision for long-term employee benefits	<u>(3,110)</u>	<u>(1,189)</u>
Cash from (used in) operating activities	(310,831)	376,854
Cash received from interest income	74	78
Cash paid for interest expenses	(18,264)	(18,338)
Cash paid for income tax	<u>-</u>	<u>(994)</u>
Net cash from (used in) operating activities	<u>(329,021)</u>	<u>357,600</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thai Agro Energy Public Company Limited

Cash flow statement (continued)

For the six-month period ended 30 June 2018

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(265,885)	(115,354)
Acquisitions of current investments	-	(80,000)
Acquisitions of intangible assets	(1,341)	(16)
Proceeds from sales of current investments	-	80,000
Net cash used in investing activities	<u>(267,226)</u>	<u>(115,370)</u>
Cash flows from financing activities		
Increase (decrease) in short-term loans from financial institutions	583,630	(129,869)
Increase in long-term loans from financial institutions	150,830	-
Cash paid for liabilities under finance lease agreements	(1,706)	(1,647)
Repayment of long-term loan	(90,000)	(90,000)
Cash paid for dividend	(49,932)	(50,000)
Net cash from (used in) financing activities	<u>592,822</u>	<u>(271,516)</u>
Net decrease in cash and cash equivalents	(3,425)	(29,286)
Cash and cash equivalents at beginning of period	<u>35,313</u>	<u>37,047</u>
Cash and cash equivalents at end of period	<u><u>31,888</u></u>	<u><u>7,761</u></u>
Supplementary cash flows information		
Non-cash related transaction from investing activities		
Accounts payable from purchases of plant, equipment and intangible assets	75,463	10,328
Acquisition of equipment under finance lease agreements	-	1,701

The accompanying notes are an integral part of the financial statements.

Thai Agro Energy Public Company Limited

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2018

1. General information

1.1 Corporate information

Thai Agro Energy Public Company Limited (“the Company”) was incorporated as a limited company and domiciled in Thailand and was transformed to be a public limited company under Thai laws on 18 October 2007. Its parent company is Lanna Resources Public Co., Ltd., which is a public limited company incorporated in Thailand. The Company operates in Thailand and is principally engaged in production and distribution of ethanol for fuel. The registered office of the Company is at 888/114, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

1.2 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

These interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

These interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language interim financial statements.

1.3 New financial reporting standards

(a) Financial reporting standards that became effective in the current period

During the period, the Company has adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards and interpretations does not have any significant impact on the Company’s financial statements.

(b) Financial reporting standard that will become effective in the future

During the period, the Federation of Accounting Professions issued Thai Financial Reporting Standard 15 Revenue from Contracts with Customers (TFRS 15), which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarised below.

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

At present, the management of the Company is evaluating the impact of this standard to the financial statements in the year when it is adopted.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2017.

3. Related party transactions

During the periods, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2018 and 2017, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	8,469	8,358	14,803	14,201
Post-employment benefits	491	117	976	897
Total	<u>8,960</u>	<u>8,475</u>	<u>15,779</u>	<u>15,098</u>

(Unaudited but reviewed)

4. Trade and other receivables

(Unit: Thousand Baht)

	30 June 2018	31 December 2017
Trade receivables	240,900	207,063
Other receivables	202	1,401
Accrued income	-	4,347
Interest receivable	3	4
Total trade and other receivables	<u>241,105</u>	<u>212,815</u>

The outstanding balances of trade receivables as at 30 June 2018 amounting to Baht 240.9 million (31 December 2017: Baht 207.1 million) are undue trade receivables.

5. Property, plant and equipment

Movements in the property, plant and equipment account during the six-month period ended 30 June 2018 are summarised below.

(Unit: Thousand Baht)

Net book value as at 31 December 2017	2,398,322
Acquisitions during the period - at cost	306,832
Depreciation for the period	<u>(77,990)</u>
Net book value as at 30 June 2018	<u>2,627,164</u>

As at 30 June 2018, the Company had motor vehicles and office equipment under finance lease agreements with net book values amounting to Baht 6.2 million (31 December 2017: Baht 7.6 million).

As at 30 June 2018, the Company had an outstanding balance of the construction of Wastewater Evaporation Plant amounting to Baht 192.3 million (2017: Nil). The construction has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 0.3 million were capitalised during the three-month and six-month periods ended 30 June 2018 (2017: Nil). The weighted average rate of 2.92 percent per annum has been used to determine the amount of borrowing costs eligible for capitalisation.

The Company has mortgaged part of its land and construction thereon and machinery with net book value as at 30 June 2018 amounting to approximately Baht 1,077.6 million (31 December 2017: Baht 1,107.0 million) as collateral for short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 6 and 8.

(Unaudited but reviewed)

6. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate		30 June 2018	31 December 2017
	(percent per annum)			
	30 June 2018	31 December 2017		
Promissory notes	2.60 - 3.00	2.75 - 3.00	1,033,056	633,210
Trust receipts	2.75	2.75 - 2.85	449,642	265,858
Total			<u>1,482,698</u>	<u>899,068</u>

Movements in short-term loans from financial institutions during the six-month period ended 30 June 2018 are summarised below.

(Unit: Thousand Baht)

Balance as at 31 December 2017	899,068
Add: Increase during the period	2,942,791
Less: Repayment during the period	<u>(2,359,161)</u>
Balance as at 30 June 2018	<u>1,482,698</u>

Credit facilities from a financial institution are secured by the mortgage of part of the Company's land and construction thereon and machinery as discussed in Note 5.

7. Trade and other payables

(Unit: Thousand Baht)

	30 June 2018	31 December 2017
Trade payables	108,902	108,561
Other payables	86,464	50,021
Dividend payables	1,298	1,230
Total trade and other payables	<u>196,664</u>	<u>159,812</u>

(Unaudited but reviewed)

8. Long-term loan

	(Unit: Thousand Baht)	
	30 June 2018	31 December 2017
Long-term loan	178,587	117,757
Less: Current portion	(27,757)	(117,757)
Long-term loan - net of current portion	<u>150,830</u>	<u>-</u>

Movements in the long-term loan account during the six-month period ended 30 June 2018 are summarised below.

	(Unit: Thousand Baht)
Balance as at 31 December 2017	117,757
Add: Additional loan withdrew during the period	150,830
Less: Repayment during the period	<u>(90,000)</u>
Balance as at 30 June 2018	<u>178,587</u>

On 6 November 2013, the Company entered into long-term loan agreement with a local bank, obtaining loan facilities of Baht 845 million, for the debt refinance with an another local bank. On 18 December 2013, the Company withdrew the loan for the debt refinance and repaid all of short-term and long-term loans to that local bank totaling Baht 837.8 million. The loan initially carries interest at THBFIX reference rate plus 1.75 percent per annum for the first year, and the interest rate increases by 0.05 percent per annum from the second to fifth year. The loan is repayable within 5 years in 10 semi-annually installments of Baht 90 million during the first to ninth year, and remaining balance is repayable in the tenth year. The repayment period is from June 2014 to December 2018. The loan is secured by the mortgage of a part of the Company's land and construction thereon and machinery as discussed in Note 5.

Subsequently on 7 March 2014, the Company executed a memorandum attached to the long-term loan agreement made with the bank to revise certain conditions and debt service coverage ratios.

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios according to the agreement such as debt to equity and debt service coverage ratios at the rate prescribed in the agreement.

As at 31 December 2017, the Company could not maintain certain financial ratios as specified in the loan agreement. However, the Company had obtained a waiver letter for the condition to maintain certain financial ratios for the years ended 31 December 2017 from a bank on 29 January 2018. As at 31 December 2017, all of long-term loan of Baht 117.8 million is current portion of long-term loan. Nevertheless, as at 30 June 2018, the Company could maintain such financial ratios.

On 15 May 2018, the Company entered into long-term loan agreement with a local bank, obtaining loan facilities of Baht 418 million. The first loan facilities of Baht 150.8 million had been drawn by the Company on 8 June 2018. The loan initially carries interest at 3M THBFIX reference rate plus 1.95 percent per annum and is repayable the first installment in the last day of the eighteen months since the Company withdrew the loan. The loan is repayable within 6 years in 10 semi-annually installments of Baht 42 million during the first to ninth year, and remaining balance is repayable in the tenth year. The loan is secured by the mortgage of a part of the Company's land and construction thereon and machinery as discussed in Note 5.

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios according to the agreement such as debt to equity and debt service coverage ratios at the rate prescribed in the agreement.

As at 30 June 2018, the Company could maintain certain financial ratios as specified in the long-term loan agreement.

9. Loss from flood event

In October 2017, it was inundated by flood, which caused the collapse of a part of the vinasse reservoirs at the Company's ethanol plant, resulting in overflows of treated vinasse into a village and some related agricultural areas. The Company therefore had to pay compensation and the Ministry of Industry ordered to shut down its ethanol plant temporarily in order to repair the damaged reservoirs to a safe level. The Company investigated the damages and recorded losses from flood event of Baht 73.3 million in profit or loss for the year 2017 and Baht 2.3 million in profit or loss for the six-month periods ended 30 June 2018.

However, the Company has insurance covering the damages on which it is in the process of claiming compensation from the insurance company.

10. Income tax

Interim corporate income tax is calculated on profit before income tax for the periods, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and six-month periods ended 30 June 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	4,465	1,953	4,769	9,228
Deferred tax:				
Relating to origination and reversal of temporary differences	330	(152)	1,024	(491)
Income tax expenses reported in the statements of comprehensive income	<u>4,795</u>	<u>1,801</u>	<u>5,793</u>	<u>8,737</u>

11. Earnings per share

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

12. Dividend Paid

On 24 April 2017, the Annual General Meeting of the Company's shareholders passed a resolution to approve the payment of dividend in respect of operating income from BOI promoted operation for the period from July to December 2016 to the Company's shareholders for 1,000 million shares of Baht 0.05 per share, or a total of Baht 50 million, additionally from the interim dividends of Baht 0.10 per share, amounting to Baht 100 million. Thus, the total dividend payment is Baht 0.15 per share, or a total of Baht 150 million. The Company paid such dividend on 23 May 2017. In addition, the meeting approved to set aside general reserve of Baht 192 million.

On 19 April 2018, the Annual General Meeting of the Company's shareholders passed a resolution to approve the payment of dividend from retained earnings from BOI promoted operations to the Company's shareholders for 1,000 million shares of Baht 0.15 per share, or a total of Baht 150 million. The interim dividends were paid on 15 September 2017 of Baht 0.10 per share, amounting to Baht 100 million, and there is the remaining dividend of Baht 0.05 per share, amounting to Baht 50 million. The Company paid dividend on 18 May 2018.

13. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The one main reportable operating segment of the Company is production and distribution of ethanol-for-fuel and the single geographical area of their operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

14. Commitments and contingent liabilities

14.1 Capital commitments

As at 30 June 2018, the Company had capital commitments of approximately Baht 228.5 million relating to the construction of Wastewater Evaporation Plant and Vinasse Evaporation Reservoirs (31 December 2017: The construction of Vinasse Evaporation Reservoirs of approximately Baht 10.6 million).

14.2 Operating lease and service commitments

The Company has entered into several lease agreements in respect of the lease of office building space and other services. The terms of the agreements are generally between 1 and 5 years.

Future minimum lease and other service payments under these operating lease and service contracts were as follows:

	(Unit: Million Baht)	
	30 June 2018	31 December 2017
	<hr/>	<hr/>
Payable:		
In up to 1 year	6.5	5.4
In over 1 year and up to 5 years	5.7	7.5

14.3 Long-term service and purchase commitments

- a) The Company entered into a power supply agreement with the Provincial Electricity Authority for a period of one year, commencing 21 December 2010 to 20 December 2011, and being automatically renewed for every one-year period. The Company shall pay power supply at the rate as stipulated in the agreement.
- b) The Company had commitments under the purchase of molasses agreement with 15-years duration under which the price is to be determined every 5 years commencing the first year in 2005. The price for the first three years is that stipulated in the agreement and for the fourth and fifth year, using the average actual market price of the first three years for comparison and the quantity to purchase of molasses are those stipulated in the agreement. In addition, the Company had additional two commitments under the purchase of molasses agreements with 5-year duration under which the price is to be determined before shipment in the next period and the quantity to purchase of molasses are those stipulated in the agreement.

14.4 Guarantees

As at 30 June 2018, there were outstanding bank guarantees of approximately Baht 5.0 million issued by the bank on behalf of the Company to guarantee contracted performance under the agreement for using of electric to the Provincial Electricity Authority (31 December 2017: Baht 5.2 million).

15. Litigation

In September 2011, a company sued the Company for its alleged non-compliance with the cassava chip purchase agreement dated 21 January 2011 and memorandum dated 29 April 2011, claiming a compensation for damage of Baht 186.9 million. On 8 November 2011, the Company submitted the testimony and countersued that company, claiming a compensation for damage of Baht 82.4 million. Subsequently, on 9 October 2014, the Civil Court dismissed the lawsuit filed by that company and ordered it to make payments for purchases of cassava chip that the Company paid in advance of Baht 6.9 million which together with interest expense of 7.5 percent per annum, calculated from 8 November 2014 (the countersue date) until completion of payment. In addition, that company shall pay for charges and partial lawyer fee for the Company. However, on 3 December 2014, the Company lodged an appeal with the Court of Appeal. On 9 February 2016, the Appeal Court affirmed the judgment of the Civil Court.

Subsequently on 7 April 2016, the Company lodged an appeal with the Supreme Court. Presently, the case is under consideration of the Supreme Court. On 18 May 2018, the Company sued that company for bankruptcy case. As at 30 June 2018, the Company has not received such payment. However, the Company recorded allowance for impairment for the full amount of the advance paid to that company.

16. Fair value hierarchy

As at 30 June 2018 and 31 December 2017, the Company had the assets that were measured at fair value based on levels of inputs as follows:

	(Unit: Thousand Baht)			
	As at 30 June 2018		As at 31 December 2017	
	Level 2	Total	Level 2	Total
Assets measured at fair value				
Current investment - open fund	1,032	1,032	1,026	1,026

17. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 7 August 2018.