

Thai Agro Energy Public Company Limited
Review report and interim financial statements
For the three-month and six-month periods ended
30 June 2019

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 2019, the related statements of comprehensive income for the three-month and six-month periods then ended, the related statements of changes in shareholders' equity and cash flows for the six-month period 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: 8 August 2019

Thai Agro Energy Public Company Limited**Statement of financial position****As at 30 June 2019**

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>30 June 2019</u>	<u>31 December 2018</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		32,014	32,191
Current investment - open fund		1,047	1,037
Trade and other receivables	4	213,350	275,888
Inventories		294,055	141,608
Advance payments for purchase of goods		205,999	545,128
Current tax assets		9,559	9,559
Other current assets		<u>2,738</u>	<u>4,333</u>
Total current assets		<u>758,762</u>	<u>1,009,744</u>
Non-current assets			
Property, plant and equipment	5	2,783,647	2,756,064
Intangible assets		2,284	2,662
Deferred tax assets		2,971	3,033
Other non-current assets		<u>769</u>	<u>769</u>
Total non-current assets		<u>2,789,671</u>	<u>2,762,528</u>
Total assets		<u><u>3,548,433</u></u>	<u><u>3,772,272</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 2019

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>30 June 2019</u>	<u>31 December 2018</u>
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	6	796,717	1,174,712
Trade and other payables	7	121,535	145,537
Current portion of liabilities under finance lease agreements		1,020	2,095
Current portion of long-term loans	8	143,834	102,000
Income tax payable		14,422	22,286
Provision for short-term employee benefits		980	2,291
Other current liabilities		19,088	21,237
Total current liabilities		<u>1,097,596</u>	<u>1,470,158</u>
Non-current liabilities			
Liabilities under finance lease agreements - net of current portion		666	710
Long-term loans - net of current portion	8	501,313	525,968
Provision for long-term employee benefits	9	4,126	3,234
Total non-current liabilities		<u>506,105</u>	<u>529,912</u>
Total liabilities		<u>1,603,701</u>	<u>2,000,070</u>
Shareholders' equity			
Share capital			
Registered			
1,000,000,000 ordinary shares of Baht 1 each		<u>1,000,000</u>	<u>1,000,000</u>
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		463,380	290,850
Total shareholders' equity		<u>1,944,732</u>	<u>1,772,202</u>
Total liabilities and shareholders' equity		<u>3,548,433</u>	<u>3,772,272</u>

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 2019

		(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		2019	2018	2019	2018	
Profit or loss:						
Revenues						
	Sales	620,519	715,415	1,373,927	1,321,696	
	Other income	1,950	498	2,640	1,000	
	Total revenues	622,469	715,913	1,376,567	1,322,696	
Expenses						
	Cost of sales	450,664	621,914	979,196	1,131,028	
	Selling and distribution expenses	5,699	2,998	12,025	7,262	
	Administrative expenses	19,656	16,488	29,943	33,677	
	Flood damage expenses	10	-	-	2,251	
	Total expenses	476,019	641,400	1,021,164	1,174,218	
	Profit before finance cost and income tax	146,450	74,513	355,403	148,478	
	Finance cost	(8,973)	(10,740)	(18,523)	(19,224)	
	Profit before income tax	137,477	63,773	336,880	129,254	
	Income tax	11	3,590	(4,795)	(14,350)	(5,793)
	Profit for the period	141,067	58,978	322,530	123,461	
Other comprehensive income						
	Other comprehensive income for the period	-	-	-	-	
	Total comprehensive income for the period	141,067	58,978	322,530	123,461	
Earnings per share						
	Basic earnings per share	12				
	Profit (Baht)	0.14	0.06	0.32	0.12	
	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 2019

(Unit: Thousand Baht)

	Issued and fully paid up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings			Total
				Statutory reserve	General reserve	Unappropriated	
Opening 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 13)	-	-	-	-	-	(50,000)	(50,000)
Closing 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>
Opening balance as at							
1 January 2019	1,000,000	188,796	556	100,000	192,000	290,850	1,772,202
Profit for the period	-	-	-	-	-	322,530	322,530
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	322,530	322,530
Dividend paid (Note 13)	-	-	-	-	-	(150,000)	(150,000)
Closing balance as at							
30 June 2019	<u>1,000,000</u>	<u>188,796</u>	<u>556</u>	<u>100,000</u>	<u>192,000</u>	<u>463,380</u>	<u>1,944,732</u>

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

(Unaudited but reviewed)

Thai Agro Energy Public Company Limited

Statement of cash flows

For the six-month period ended 30 June 2019

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Profit before tax	336,880	129,254
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	81,659	78,273
Reversal of reduction of inventory to net realisable value	-	(555)
Gain on disposals of equipment	(1,333)	-
Gain on change in value of current investments - open fund	(10)	(6)
Provision for long-term employee benefits	892	1,129
Interest income	(73)	(73)
Interest expenses	<u>18,540</u>	<u>19,159</u>
Profit from operating activities before changes in operating assets and liabilities	436,555	227,181
Operating assets (increase) decrease		
Trade and other receivables	62,537	(28,291)
Inventories	(152,447)	(260,610)
Advance payments for purchase of goods	339,129	(209,272)
Other current assets	1,595	(31,001)
Other non-current assets	-	1,116
Operating liabilities decrease		
Trade and other payables	20,035	(4,174)
Other current liabilities	(1,781)	(2,670)
Provision for long-term employee benefits	<u>(1,311)</u>	<u>(3,110)</u>
Cash from (used in) operating activities	704,312	(310,831)
Cash received from interest income	74	74
Cash paid for interest expenses	(18,763)	(18,264)
Cash paid for income tax	<u>(22,152)</u>	<u>-</u>
Net cash from (used in) operating activities	<u>663,471</u>	<u>(329,021)</u>

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

(Unaudited but reviewed)

Thai Agro Energy Public Company Limited

Statement of cash flows (continued)

For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

	<u>2019</u>	<u>2018</u>
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(153,189)	(265,885)
Acquisitions of intangible assets	(191)	(1,341)
Proceeds from disposals equipment	1,786	-
Net cash used in investing activities	<u>(151,594)</u>	<u>(267,226)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term loans from financial institutions	(377,995)	583,630
Increase in long-term loans from financial institutions	47,097	150,830
Cash paid for long-term loans from financial institutions	(30,000)	(90,000)
Cash paid for liabilities under finance lease agreements	(1,182)	(1,706)
Cash paid for dividend	(149,974)	(49,932)
Net cash from (used in) financing activities	<u>(512,054)</u>	<u>592,822</u>
Net decrease in cash and cash equivalents	(177)	(3,425)
Cash and cash equivalents at beginning of period	32,191	35,313
Cash and cash equivalents at end of period	<u>32,014</u>	<u>31,888</u>
Supplementary cash flows information		
Non-cash related transactions from investing activities		
Payables from purchases of plant and equipment and intangible assets	16,007	75,463

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 2019

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 have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

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.

This standard does not have any significant impact on the Company's financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company is currently evaluating the impact of this standard on 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 2018, except for the change in the accounting policies due to the adoption of TFRS 15, Revenue from Contracts with Customers, as follow:

Revenue recognition

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts to customers.

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 2019 and 2018, 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	9,761	8,469	15,712	14,803
Post-employment benefits	83	491	166	976
Total	<u>9,844</u>	<u>8,960</u>	<u>15,878</u>	<u>15,779</u>

(Unaudited but reviewed)

4. Trade and other receivables

	(Unit: Thousand Baht)	
	30 June 2019	31 December 2018
Trade receivables	204,983	238,528
Other receivables	8,365	6,368
Value added tax refundable	-	30,989
Interest receivable	2	3
Total trade and other receivables	<u>213,350</u>	<u>275,888</u>

The outstanding balances of trade receivables as at 30 June 2019 amounting to Baht 205.0 million (31 December 2018: Baht 238.5 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 2019 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 31 December 2018	2,756,064
Acquisitions during the period - at cost	109,264
Disposals during the period - net book value as at disposal date	(453)
Depreciation for the period	<u>(81,228)</u>
Net book value as at 30 June 2019	<u>2,783,647</u>

As at 30 June 2019, the Company had motor vehicles and office equipment under finance lease agreements with net book values amounting to Baht 3.1 million (31 December 2018: Baht 4.8 million).

As at 30 June 2019, the Company had an outstanding balance of the construction of Wastewater Evaporation Plant amounting to Baht 345.1 million (2018: Baht 350.9 million). The construction has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 6.1 million were capitalised during the six-month period ended 30 June 2019 (31 December 2018: Baht 4.4 million). The weighted average rate of 3.2 - 3.8 percent per annum has been used to determine the amount of borrowing costs eligible for capitalisation (2018: 2.9 - 3.7 percent per annum).

The Company has mortgaged part of its land and construction thereon and machinery with net book value as at 30 June 2019 amounting to approximately Baht 1,564.1 million (31 December 2018: Baht 1,613.6 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 2019	31 December 2018
	(percent per annum)			
	30 June 2019	31 December 2018		
Promissory notes	2.95 - 3.00	2.75 - 2.95	635,186	882,905
Trust receipts	2.95	2.75	161,531	291,807
Total			796,717	1,174,712

Movements in short-term loans from financial institutions during the six-month period ended 30 June 2019 are summarised below.

(Unit: Thousand Baht)

Balance as at 31 December 2018	1,174,712
Add: Increase during the period	770,962
Less: Repayment during the period	(1,148,957)
Balance as at 30 June 2019	796,717

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.

As at 30 June 2019, the short-term credit facilities of the Company which have not yet been drawn down amounted to Baht 1,263.3 million (31 December 2018: Baht 885.3 million).

7. Trade and other payables

(Unit: Thousand Baht)

	30 June 2019	31 December 2018
Trade payables	81,952	62,997
Other payables	38,339	81,322
Dividend payables	1,244	1,218
Total trade and other payables	121,535	145,537

(Unaudited but reviewed)

8. Long-term loans

	(Unit: Thousand Baht)	
	30 June 2019	31 December 2018
Long-term loans	645,147	627,968
Less: Current portion	(143,834)	(102,000)
Long-term loans - net of current portion	<u>501,313</u>	<u>525,968</u>

Movements in the long-term loans account during the six-month period ended 30 June 2019 are summarised below.

	(Unit: Thousand Baht)
Balance as at 31 December 2018	627,968
Add: Additional loan withdrew during the period	47,097
Amortisation of transaction costs during the period	82
Less: Repayment during the period	<u>(30,000)</u>
Balance as at 30 June 2019	<u>645,147</u>

On 15 May 2018, the Company entered into long-term loan agreement with a local bank, obtaining loan facilities of Baht 418 million. The loan 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 eighteenth month since the Company withdrew the loan (8 June 2018). The loan is repayable within 6 years in 10 semi-annually installments of Baht 42 million during the first to ninth installments, and remaining balance is repayable in the tenth installment. Interest is repayable on a quarterly basis. 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 8 November 2018, the Company entered into another long-term loan agreement with the same bank, obtaining loan facilities of Baht 300 million. The loan 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 sixth month since the Company withdrew the loan (15 November 2018). The loan is repayable within 5 years in 10 semi-annually installments of Baht 30 million each and interest is repayable on a quarterly basis. 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 agreements contain 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 2019, the Company could maintain certain financial ratios as specified in the long-term loan agreements.

As at 30 June 2019, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 42.1 million (31 December 2018: Baht 90.0 million).

9. Provision for long-term employee benefits

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company have additional long-term employee benefit liabilities of Baht 0.6 million. The Company reflected the effect of the change by recognising past service costs as expenses in profit or loss in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2019.

10. Flood damage expenses

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 period 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.

11. 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 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current income tax:				
Interim corporate income tax charge	(3,349)	4,465	14,288	4,769
Deferred tax:				
Relating to origination and reversal of temporary differences	(241)	330	62	1,024
Income tax reported in the statements of comprehensive income	<u>(3,590)</u>	<u>4,795</u>	<u>14,350</u>	<u>5,793</u>

12. 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.

13. Dividend

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
<u>2019</u>				
Final dividends in respect of operation income from BOI promoted operation for the period from 1 July 2018 to 31 December 2018	Annual General Meeting of the shareholders on 25 April 2019	150,000	0.15	24 May 2019
Total		<u>150,000</u>	<u>0.15</u>	

(Unaudited but reviewed)

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
2018				
Final dividends in respect of operation income from BOI promoted operation for the period from 1 July 2017 to 31 December 2017	Annual General Meeting of the shareholders on 19 April 2018	50,000	0.05	18 May 2018
Total		50,000	0.05	

14. 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 Company is organised into business units based on its products. During the current period, the Company has changed the organisation of its reportable segments from the fiscal year 2018, by adding a reportable segment, which is soil conditioner. However, at present the operation of such segment is insignificant.

15. Commitments and contingent liabilities

15.1 Capital commitments

As at 30 June 2019, the Company had capital commitments of approximately Baht 68.7 million relating to the construction of Vinasse Evaporation Plant and other projects (31 December 2018: Baht 88.4 million).

15.2 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.

(Unaudited but reviewed)

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

	(Unit: Million Baht)	
	30 June 2019	31 December 2018
Payable:		
In up to 1 year	7.6	4.7
In over 1 year and up to 5 years	2.3	4.0

15.3 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 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. For the sixth year onwards, the price is to be determined in each year. The quantity to purchase of molasses are those stipulated in the agreement.

14.4 Guarantees

As at 30 June 2019, 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 2018: Baht 5.0 million).

15. Litigation

On September 2011, a company sued the Company for its alleged non-compliance with the cassava chip purchase agreement, claiming a compensation for damage of Baht 186.9 million. The Company submitted the testimony and countersued that company, claiming a compensation for damage of Baht 82.4 million. Both parties defended in three courts. The case has been finished on 17 April 2019 by the Supreme Court affirmed the judgment of the Civil Court and the Appeal Court to order that company 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. Now the execution of judgment is in process.

(Unaudited but reviewed)

In addition, on 18 May 2018, the Company sued that company for bankruptcy case. The Bankruptcy court passed the judgment on 29 May 2019 that the case was thrown out as that company has the right to claim with a debtor which is a government agency then that company has not become insolvent yet. The Company has already made attachment of the claim.

As at 30 June 2019, the Company has not received such payment, however, the Company recorded allowance for impairment in advance paid to that company for a whole amount.

17. Fair value hierarchy

As at 30 June 2019 and 31 December 2018, 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 2019		As at 31 December 2018	
	Level 2	Total	Level 2	Total
Assets measured at fair value				
Current investment - open fund	1,047	1,047	1,037	1,037

18. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 8 August 2019.