

RPCG Public Company Limited and its subsidiaries  
Review report and interim financial information  
For the three-month period ended 31 March 2020

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of RPCG Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of RPCG Public Company Limited and its subsidiaries as at 31 March 2020, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of RPCG Public Company Limited for the same period (collectively "interim financial information"). 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*.

## Emphasis of Matters

I draw attention to the following notes to the interim consolidated financial statements.

a) As discussed in Notes 1.2, 13 and 18.5 to the interim consolidated financial statements, since the year 2009 the Company has been involved in a significant commercial disputes and outstanding litigations with its major raw material supplier, who stopped delivering raw materials to the Company in February 2012. This forced the Company to cease production, since it has been unable to find new suppliers of these raw materials, while some of its subsidiaries that operate in a related business have also had to cease operations. On 20 April 2015, the 2015 Annual General Meeting of the shareholders approved a resolution to permanently discontinue the refinery business in Rayong province. The Group has therefore suffered operating losses from refinery business in the years since the cessation of production in 2012. Even though some significant uncertainties that may impact the ability of the Group to continue as a going concern have currently eased as a result of the management's plans to improve the efficiency of the gasoline retail sales business and to operate investment and holding company business as discussed in Note 1.2 to the financial statements, as at 31 March 2020, the Group has current liabilities in excess of its current assets by Baht 428 million (31 December 2019: Baht 406 million). Current liabilities include liabilities under the commercial disputes and outstanding litigations with its major raw material supplier, as discussed above. At present, there remains uncertainty regarding the outcomes of the commercial disputes and outstanding litigations, cannot be concluded at this time and depends on future judicial proceedings. These events indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern, if the outcomes of the litigations not be in favour of the Group.

b) As discussed in Notes 1.3 and 1.6 to the interim consolidated financial statements. Due to the impact of the COVID-19 pandemic, in preparing the interim financial information for the three-month period ended 31 March 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions.

The COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more.

This situation affects the Group's business activities in terms of its investment in the General Fixed Income Fund managed by a fund management company that announced the termination of the fund in late March 2020 and is currently under liquidation. This may be impact on the value of the investment. However, the impact cannot be reasonably estimated at this stage.

The Group's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of investment in the General Fixed Income Fund, and will record the impact when it is possible to do so.

My conclusion is not qualified in respect of these matters.

#### **Other Matter**

Due to the impact of COVID-19 pandemic situation, the Company has postponed the annual general meeting of the Company's shareholders which results in no resolution for the appointment of the auditor of the Company for the accounting period of 2020 yet. However, the Board of Director of the Company has a resolution to propose to the annual general meeting of the Company's shareholders to appoint me as the auditor of the Company for the accounting period of 2020. I therefore have conducted my review on the interim financial information for first quarter of 2020 which is in compliance with the notification of the Capital Market Supervisory Board (CMSB) No. TorChor. 28/2563 dated 27 March 2020.

Poonnard Paocharoen  
Certified Public Accountant (Thailand) No. 5238

EY Office Limited  
Bangkok: 15 May 2020