

RPCG Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month period ended 31 March 2022

1. General information

1.1 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, income statement, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The 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.

The 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 financial statements.

1.2 Basis of consolidation

The interim consolidated financial statements include the financial statements of RPCG Public Company Limited ("the Company") and its subsidiaries ("the subsidiaries") (collectively as "the Group") and have been prepared on the same basis as applied for the consolidated financial statements for the year ended 31 December 2021. However, during the current period, there were significant structure changes regarding the dissolution of a subsidiary as discussed in Note 5 to the interim consolidated financial statements.

1.3 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 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Group's financial statements.

(Unaudited but reviewed)

2. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Trade receivables - related party				
Aged on the basis of due dates				
Past due				
Not over 3 months	1,091	17	-	-
Total trade receivables - related party	1,091	17	-	-
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Past due				
Not over 3 months	24,887	25,484	-	-
3 - 6 months	76	108	-	-
6 - 12 months	44	4	-	-
Over 12 months	3,320	3,353	-	-
Total	28,327	28,949	-	-
Less: Allowance for expected credit losses	(2,507)	(2,544)	-	-
Total trade receivables - unrelated parties, net	25,820	26,405	-	-
Total trade receivables - net	26,911	26,422	-	-
Other receivables				
Accrued income - related parties	330	1,737	6,441	6,503
Accrued income - unrelated parties	631	514	40	21
Others	6,279	5,326	3,349	2,663
Total	7,240	7,577	9,830	9,187
Less: Allowance for expected credit losses	(4,085)	(3,509)	(3,037)	(2,450)
Total other receivables - net	3,155	4,068	6,793	6,737
Total trade and other receivables - net	30,066	30,490	6,793	6,737

(Unaudited but reviewed)

3. Related party transactions

During the periods, the Group 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 Group and those related parties. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Summaries significant business transactions with related parties as follows.

(Unit: Million Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Transactions with subsidiaries				
(Eliminated from the consolidated financial statements)				
Interest income	-	-	-	4
Dividend income	-	-	1	-
Transactions with associate				
Interest income	-	1	-	1
Office rental expenses	1	-	-	-

The balances of the accounts between the Group and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
Trade receivables - related party				
Associate	1,091	17	-	-
Total trade receivables - related party	1,091	17	-	-
Other receivables - related parties				
Subsidiaries	-	-	6,111	5,706
Associate	-	1,566	-	626
Related company	330	171	330	171
Total other receivables - related parties	330	1,737	6,441	6,503

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Other payables - related parties				
Joint venture	-	1,000	-	-
Associate	575	387	-	-
Related company	631	2,498	631	2,498
Total other payables - related parties	1,206	3,885	631	2,498
Lease liabilities - related party				
Related company	17,972	18,519	-	-
Less: Portion due within one year	(2,651)	(2,594)	-	-
Lease liabilities - related party, net of current portion	15,321	15,925	-	-

Loans to related parties and loan from related party

During the three-month period ended 31 March 2022, movements of loans to and loan from between the Group and related parties were as follows.

(Unit: Thousand Baht)

	Related by	Consolidated financial statements			
		Balance as at 31 December 2021	Increase during the period	Decrease during the period	Balance as at 31 March 2022
Short-term loans to related parties					
Sammakorn Plc.	Associate	100,000	-	(100,000)	-
Petro-Instruments Corp., Ltd.	Related company	40,000	-	(2,800)	37,200
Total		140,000	-	(102,800)	37,200
Long-term loan to related party					
KP Energy Group Co., Ltd.	Related company	4,500	-	-	4,500
Less: Allowance for expected credit losses		(4,500)	-	-	(4,500)
Net		-	-	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at	Increase	Decrease	Balance as at
		31 December	during	during	31 March
Related by		2021	the period	the period	2022
Short-term loans to related parties					
Pure Biodiesel Co., Ltd.	Subsidiary	319,188	-	-	319,188
Sammakorn Plc.	Associate	100,000	-	(100,000)	-
Petro-Instruments Corp., Ltd.	Related company	40,000	-	(2,800)	37,200
Total		459,188	-	(102,800)	356,388
Less: Allowance for					
expected credit losses		(319,188)	-	-	(319,188)
Net		140,000	-	(102,800)	37,200
Long-term loans to related parties					
Pure Thai Energy Co., Ltd.	Subsidiary	80,000	-	-	80,000
KP Energy Group Co., Ltd.	Related company	4,500	-	-	4,500
Total		84,500	-	-	84,500
Less: Allowance for					
expected credit losses		(4,500)	-	-	(4,500)
Net		80,000	-	-	80,000
Short-term loan from related party					
RPCG-JV 1 Co., Ltd.	Subsidiary	299,500	-	(299,500)	-
Total		299,500	-	(299,500)	-

Directors and management's benefits

During the three-month periods ended 31 March 2022 and 2021, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	2022	2021	2022	2021
Short-term employee benefits	3,316	3,678	2,374	2,863
Post-employment benefits	374	347	195	234
Total	3,690	4,025	2,569	3,097

4. Investment in associate

As at 31 March 2022, fair value of investment in Sammakorn Public Company Limited, an associate that is listed company on the Stock Exchange of Thailand, was Baht 551 million (31 December 2021: Baht 585 million).

On 19 April 2022, the Annual General Meeting of the Shareholders of Sammakorn Public Company Limited passed a resolution approving payment of a cash dividend of Baht 0.04 per share, or a total of Baht 25.7 million, with the Company to receive Baht 12.4 million. The Company expects to receive the cash dividend in May 2022.

5. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows.

Company	Cost		Dividend received for the three-month periods ended 31 March	
	31 March	31 December		
	2022	2021	2022	2021
Pure Biodiesel Co., Ltd. *	279,999	279,999	-	-
Pure Thai Energy Co., Ltd.	140,000	140,000	-	-
RPC Management Co., Ltd. *	956	956	-	-
RPCG-JV 1 Co., Ltd.	-	300,000	1,320	-
Onward Venture Co., Ltd. **	10,000	10,000	-	-
Total	430,955	730,955	1,320	-
Less: Allowance for impairment	(104,189)	(104,189)		
Investments in subsidiaries - net	326,766	626,766		

* Business suspended.

** Business has not yet commenced its operation.

RPCG-JV 1 Co., Ltd.

On 21 February 2022, the Annual General Meeting of the Shareholders of RPCG-JV 1 Company Limited (RPCG-JV 1) has a special resolution to dissolve RPCG-JV 1. On 1 March 2022, RPCG-JV 1 registered its dissolution with the Ministry of Commerce. Later, on 8 March 2022, the Company received cash proceeds from return of capital from RPCG-JV 1 amounting to Baht 300 million. Currently, RPCG-JV 1 is in the process of liquidation.

6. Segment information

The Group is organised into business units based on its products and services. During the current period, the Group has not changed the organisation of its reportable segments. The Company and its subsidiaries are principally engaged in the energy segment and their operations are carried on only in 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 or loss and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

7. Commitments and contingent liabilities

7.1 Capital commitments

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Constructions of gas stations agreements	-	6	-	-
Solar roof power generation system agreement	7	7	7	7
Installation of computer software agreement	1	2	1	2

7.2 Guarantees

a) The outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business were summarised as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Letter of trade creditor guarantee	180	180	-	-
Letter of electricity use guarantee	2	2	-	-

b) As at 31 March 2022 and 31 December 2021, a subsidiary entered into an agreement with its subsidiary to guarantee bank credit facility of its subsidiary totaling Baht 10 million. The guarantee is effective as long as the underlying obligations have not been discharged by the subsidiary. No guarantee fee was charged for the guarantee.

7.3 Long-term purchase commitments

As at 31 March 2022 and 31 December 2021, a subsidiary has signed up to gasoline trading agreements with Esso (Thailand) Public Company Limited and was granted the right to use the “Esso” trademark at 74 gasoline stations. During the current period, there have been no significant changes with respect to the agreements as disclosed in Note 40.3 to the consolidated financial statements for the year 2021.

7.4 Uncalled portion of investment in joint venture

As at 31 March 2022 and 31 December 2021, its subsidiary has a commitment of Baht 1 million (separate financial statements: nil), relating to the uncalled portion of investment in joint venture.

On 8 April 2022 and 2 May 2022, its subsidiary received letters from the joint venture calling for the second and third payments of investment or equivalent to the amount that the subsidiary had to pay of Baht 0.5 million each, totaling Baht 1 million. The subsidiary paid for such investment on 22 April 2022 and 9 May 2022, respectively.

8. Financial instruments

Fair value of financial instrument

Since the majority of the Group’s financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

Fair value hierarchy

During the current period, there were no changes in the methods and the assumptions used to estimate the fair value of financial instruments and there were no transfers between the levels of the fair value hierarchy.

9. Event after the reporting period

On 21 April 2022, the Annual General Meeting of the Shareholders of the Company passed a resolution approving payment of a cash dividend of Baht 0.10 per share, or a total of Baht 130.5 million. The Company expects to pay the cash dividend in May 2022.

10. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company’s Board of Directors on 12 May 2022.