

RPCG Public Company Limited and its subsidiaries
Notes to interim consolidated financial statements
For the three-month period ended 31 March 2024

1. General information

1.1 Basis for the 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 2023, with no change in shareholding structure of subsidiaries during the current period.

1.3 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 2023.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024, 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	31 December	31 March	31 December	
2024	2023	2024	2023	
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	20,419	18,142	-	-
Past due				
Not over 3 months	6,998	9,608	-	-
3 - 6 months	326	542	-	-
6 - 12 months	365	17	-	-
Over 12 months	3,652	3,754	-	-
Total	31,760	32,063	-	-
Less: Allowance for expected credit losses	(2,875)	(2,963)	-	-
Total trade receivables - unrelated parties, net	28,885	29,100	-	-
Total trade receivables - net	28,885	29,100	-	-
Other receivables				
Accrued income - related parties	909	594	6,400	7,657
Accrued income - unrelated parties	71,999	69,815	268	136
Others	23,308	26,754	425	860
Total	96,216	97,163	7,093	8,653
Less: Allowance for expected credit losses	(57,021)	(55,528)	-	-
Total other receivables - net	39,195	41,635	7,093	8,653
Total trade and other receivables - net	68,080	70,735	7,093	8,653

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.

(Unaudited but reviewed)

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	
	2024	2023	2024	2023
Transactions with subsidiaries				
(Eliminated from the consolidated financial statements)				
Dividend income	-	-	28	21
Interest income	-	-	2	-
Transactions with related party				
Interest income	1	-	-	-
Revenue from scrap sales	-	1	-	-
Interest expense	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
	2024	2023	2024	2023
Other receivables - related parties				
Subsidiaries	-	-	5,491	7,064
Related company (shareholder of the Company)	909	594	909	593
Total other receivables - related parties	909	594	6,400	7,657
Prepaid guarantee fee - related party				
Related company (shareholder of subsidiary)	435	626	-	-
Total prepaid guarantee fee - related party	435	626	-	-
Trade payables - related party				
Joint venture	475	655	-	-
Total trade payables - related party	475	655	-	-
Other payables - related parties				
Subsidiary	-	-	300	-
Joint venture	6,030	5,625	-	-
Related company (shareholder of the Company and shareholder of subsidiary)	2,056	4,739	950	2,888
Total other payables - related parties	8,086	10,364	1,250	2,888

(Unaudited but reviewed)

Loans to related parties and loan from related party

During the three-month period ended 31 March 2024, movements of loans to and loan from between the Group and related parties were as follows.

		(Unit: Thousand Baht)			
		Consolidated financial statements			
Related by		Balance as at 31 December 2023	Increase during the period	Decrease during the period	Balance as at 31 March 2024
Short-term loans to related parties					
Petro-Instruments Corp., Ltd.	Shareholder of the Company	56,500	-	(5,000)	51,500
Brain Wake Co., Ltd.	Related by director	5,000	-	(5,000)	-
Total		<u>61,500</u>	<u>-</u>	<u>(10,000)</u>	<u>51,500</u>
Short-term loans from related parties					
Asset Pro Group Co., Ltd.	Shareholder of subsidiary	94,000	-	-	94,000
Related party	Related by director	-	10,000	-	10,000
Total		<u>94,000</u>	<u>10,000</u>	<u>-</u>	<u>104,000</u>

Short-term loans from related party are unsecured loans and carry interest at a rate of 8.50 percent per annum. These loans are due for repayment by September 2024.

		(Unit: Thousand Baht)			
		Separate financial statements			
Related by		Balance as at 31 December 2023	Increase during the period	Decrease during the period	Balance as at 31 March 2024
Short-term loans to related parties					
Pure Biodiesel Co., Ltd.	Subsidiary	319,188	-	-	319,188
Onward Venture Co., Ltd.	Subsidiary	20,000	5,000	(3,000)	22,000
Sammakorn Plc.	Subsidiary	265,000	73,000	(25,000)	313,000
Petro-Instruments Corp., Ltd.	Shareholder of the Company	56,500	-	(5,000)	51,500
Total		<u>660,688</u>	<u>78,000</u>	<u>(33,000)</u>	<u>705,688</u>
Less: Allowance for expected credit losses		<u>(319,188)</u>	<u>-</u>	<u>-</u>	<u>(319,188)</u>
Net		<u>341,500</u>	<u>78,000</u>	<u>(33,000)</u>	<u>386,500</u>

(Unaudited but reviewed)

Directors and management's benefits

During the three-month periods ended 31 March 2024 and 2023, 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	
	financial statements		financial statements	
	2024	2023	2024	2023
Short-term employee benefits	10,688	9,458	4,501	2,927
Post-employment benefits	580	508	229	200
Total	11,268	9,966	4,730	3,127

Guarantee obligation with related parties

The Group has outstanding guarantee obligation with its related parties, as described in Note 12.2 to the interim consolidated financial statements.

4. Project development costs

(Unit: Thousand Baht)

	Consolidated	
	financial statements	
	31 March 2024	31 December 2023
Developed land and construction	48,876	48,876
Land and construction under development	4,630,506	4,602,053
Total	4,679,382	4,650,929

During the three-month periods ended 31 March 2024 and 2023, the Group capitalised borrowing costs in the cost of land and construction under development amounting to Baht 23 million (2023: Baht 16 million). The capitalisation rates of interest are based on the borrowing costs of the specific loans, as described in Note 9 and 10 to the interim consolidated financial statements.

The subsidiaries have mortgaged their land and constructions thereon in the projects with a book value as at 31 March 2024 of approximately Baht 4,154 million (31 December 2023: Baht 4,203 million), as collateral to secure bank overdrafts and credit facilities obtained from financial institutions.

(Unaudited but reviewed)

5. Other financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2024	2023	2024	2023
Debt instruments at amortised cost				
Deposit in fixed-term bank account - maturing				
within 1 year	30,000	30,000	-	-
Total	30,000	30,000	-	-
Financial assets measured at FVTPL				
Investment units in mutual funds	-	28,103	-	28,103
Total	-	28,103	-	28,103
Investments in equity instruments measured at FVOCI				
Investment in REIT - ALLY Leasehold Real Estate				
Investment Trust	110,501	110,501	-	-
Less: Decrease in the par value of the trust units	(4,374)	(4,374)	-	-
Loss on investment designated at fair value	(38,791)	(31,884)	-	-
	67,336	74,243	-	-
Investment in equity instrument of non-listed companies				
Brain Wake Co., Ltd.	20,493	20,493	-	-
Total	20,493	20,493	-	-
Total other financial assets	117,829	152,839	-	28,103
Other financial assets				
Current	30,000	58,103	-	28,103
Non-current	87,829	94,736	-	-
	117,829	152,839	-	28,103

(Unaudited but reviewed)

6. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost		Dividend received for the three-month periods ended 31 March	
	31 March	31 December	31 March	31 December	31 March	31 December	2024	2023
	2024	2023	2024	2023	2024	2023	2024	2023
			(%)	(%)				
Pure Biodiesel Co., Ltd. *	280,000	280,000	100	100	279,999	279,999	-	-
Pure Thai Energy Co., Ltd.	140,000	140,000	100	100	140,000	140,000	28,000	21,000
RPC Management Co., Ltd. *	125	125	100	100	581	581	-	-
Onward Venture Co., Ltd. **	19,000	15,000	80	80	16,000	12,000	-	-
Sammakorn Plc.	641,800	641,800	48	48	785,802	785,802	-	-
Total					1,222,382	1,218,382	28,000	21,000
Less: Allowance for impairment					(124,234)	(122,168)		
Investments in subsidiaries - net					1,098,148	1,096,214		

* Business suspended.

** Business has not yet commenced its operation.

During the current period, the Company recorded an increase in the allowance for impairment of investments in subsidiaries amounting to Baht 2.1 million (2023: Baht 1.7 million).

(Unaudited but reviewed)

The changes of the classification of investment in associate to investment in subsidiary

In 2023, the Company changed the classification of investment in Sammakorn Plc. from an associate company to a subsidiary since the Company had de facto control over such company as discussed in the Note 2.2 to the consolidated financial statements for the year 2023. The Company therefore included the financial statements of Sammakorn Plc. and its subsidiaries in the preparation of the consolidated financial statements from the date on which the Company obtained control over the subsidiary.

Changes in investments in subsidiaries during the current period

Onward Venture Co., Ltd.

On 28 February 2023, the Extraordinary General Meeting of the Shareholders of Onward Venture Co., Ltd. passed a resolution approving the increase in registered share capital from Baht 10 million (100,000 ordinary shares at a par value of Baht 100 each) to Baht 20 million (200,000 ordinary shares at a par value of Baht 100 each) and called up the share payment 50% of the registered share capital increased, amounting to Baht 4 million. The Company made the share payment on 3 March 2023 and Onward Venture Co., Ltd. registered the share capital increase with the Ministry of Commerce on 10 March 2023.

Later, on 27 February 2024, the Board of Directors Meeting of Onward Venture Co., Ltd. passed a resolution approving the call for the share payment 50% of the registered share capital increased, amounting to Baht 4 million. The Company made the share payment on 25 March 2024.

Sammakorn-JV2 Co., Ltd. (held by Sammakorn Plc.)

On 20 February 2024, the Extraordinary General Meeting of the Shareholders of Sammakorn-JV2 Co., Ltd. approved an increase in the registered share capital from Baht 100 million to Baht 150 million, by issuing additional 500,000 ordinary shares with a par value of Baht 100 each. Sammakorn Plc. paid the above additional share capital in the amount of Baht 50 million. The subsidiary registered the increase in share capital with the Ministry of Commerce on 8 March 2024.

7. Land held for development

Movements of the land held for development for the three-month period ended 31 March 2024 are summarised as follows.

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 1 January 2024	197,636
Transfer to project development costs	(73,003)
Net book value as at 31 March 2024	<u>124,633</u>

(Unaudited but reviewed)

8. Investment properties

Movements of the investment properties for the three-month period ended 31 March 2024 are summarised as follows.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2024	1,192,264	161,213
Increase during the period	771	-
Transfer to property, plant and equipment	(283)	-
Depreciation for the period	(7,044)	(181)
Net book value as at 31 March 2024	1,185,708	161,032

The subsidiaries have mortgaged their investment properties with a net book value of approximately Baht 182 million as at 31 March 2024 (31 December 2023: Baht 183 million), as collateral against bank overdraft facilities, short-term and long-term loans which the subsidiaries obtained from financial institutions.

9. Short-term loans from unrelated parties

The balance of short-term loans from unrelated parties are unsecured loans and carry interest at a rate of 8.50 percent per annum. These loans are due for repayment by September 2024.

10. Long-term loans

The balances of long-term loans account as at 31 March 2024 and 31 December 2023 are summarised as follows.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	31 March	31 December
	2024	2023
Long-term loans	1,528,632	1,712,084
Less: Current portion of long-term loans	(1,012,923)	(1,229,006)
Long-term loans - net of current portion	515,709	483,078

(Unaudited but reviewed)

Movements of the long-term loans account during the three-month period ended 31 March 2024 are summarised as follows.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2024	1,712,084
Add: Additional borrowings	120,551
Less: Repayment	(304,003)
Balance as at 31 March 2024	<u>1,528,632</u>

Most of long-term loans carried interest at MLR minus certain rate, as stipulated in the agreements. The loans principal and their interest are to be paid in monthly basis or when the Company releases mortgaged the Company's land and construction to its customers. Full settlement of these loans is to be made within 2024 - 2028.

The subsidiaries have mortgaged its investment properties, and land and construction in its projects and secured by the pledge of their land leasehold rights as collateral for their long-term loans.

The majority of loan agreements of the subsidiaries contain covenants such as maintaining certain debt-to-equity ratio.

As at 31 March 2024, long-term credit facilities of the Group which have not yet been drawn down amounted to Baht 1,499 million (31 December 2023: Baht 1,756 million).

(Unaudited but reviewed)

11. 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 their reportable segments from the last annual financial statements.

The following tables present revenues and profit (loss) information regarding the Group's operating segments for the three-month periods ended 31 March 2024 and 2023.

(Unit: Million Baht)

	For the three-month periods ended 31 March													
	Energy segment		Real estate development segment		Rental segment		Service segment		Restaurant and bakery segment		Elimination of intersegment revenues		Consolidated financial statements	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenues from external customers	1,950	2,188	471	334	19	28	35	24	5	6	-	-	2,480	2,580
Inter-segment revenues	-	-	-	-	11	7	6	3	-	-	(17)	(10)	-	-
Total revenues	<u>1,950</u>	<u>2,188</u>	<u>471</u>	<u>334</u>	<u>30</u>	<u>35</u>	<u>41</u>	<u>27</u>	<u>5</u>	<u>6</u>	<u>(17)</u>	<u>(10)</u>	<u>2,480</u>	<u>2,580</u>
Segment profit (loss)	97	117	126	82	12	20	5	(2)	(2)	(1)			238	216
Unallocated income and expenses														
Dividend income													2	2
Interest income													1	1
Other income													14	7
Selling and distribution expenses													(81)	(69)
Administrative expenses													(121)	(124)
Loss on impairment of buildings and equipment													(2)	(2)
Finance cost													(14)	(12)
Income tax expense													(9)	(8)
Profit for the period													<u>28</u>	<u>11</u>

(Unaudited but reviewed)

12. Commitments and contingent liabilities

12.1 Capital commitments and lease commitments

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2024	2023	2024	2023
Capital commitments				
Constructions of gas stations agreements	1	7	-	-
Survey, design and construction agreements	262	168	-	-
Land purchase and sale agreement	-	13	-	-
Computer software development agreements	16	5	-	-
Lease commitments				
Short-term lease and lease of low-value assets	15	13	-	-

12.2 Guarantees

- a) As at 31 March 2024 and 31 December 2023, 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	31 December	31 March	31 December
	2024	2023	2024	2023
Letter of trade creditor guarantee	180	180	-	-
Letter of electricity use guarantee	4	5	-	-
Guarantee utility system	558	624	-	-

- b) As at 31 March 2024 and 31 December 2023, Pure Thai Energy Company Limited 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.
- c) As at 31 March 2024, Sammakorn Plc. entered into an agreement with its subsidiary to guarantee bank credit facility of its subsidiary totaling Baht 1,992 million (31 December 2023: Baht 1,981 million). The guarantee is effective as long as the underlying obligations have not been discharged by the subsidiary.

12.3 Long-term purchase commitments

As at 31 March 2024 and 31 December 2023, Pure Thai Energy Company Limited has signed up to gasoline trading agreements with Esso (Thailand) Public Company Limited and was granted the right to use the “Esso” trademark at 79 gasoline stations for at least 10 years from the date that each station is opened under the “Esso” trademark. The subsidiary continues to be the operator of these gasoline stations. Under the agreements, the subsidiary has to order fuel in quantities and at prices as specified in the agreements throughout the contractual period.

Subsequently, in November 2023, Esso (Thailand) Public Company Limited changed its name to “Bangchak Sriracha Public Company Limited”, resulting in gasoline stations changing the trademark to “Bangchak”.

12.4 Service commitments

As at 31 March 2024, the Group has entered into several service agreements related to cleaning services, security services, advertising, office rental, management and commission expenses. The terms of the agreements are generally between 1 and 5 years.

Future minimum payments required under these service agreements were as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Within 1 year	90	26	1	-
Over 1 and up to 5 years	3	4	-	-

12.5 Commitment in relation to investment in subsidiary

As at 31 December 2023, the Company has a commitment relating to the uncalled portion of investment in subsidiary in the amount of Baht 4 million (31 March 2024: nil).

12.6 Other commitments

- a) There were 11 houses which the subsidiary had sold in 2006 for which the home buyers had obtained mortgage loans from a commercial bank to fund their purchases. Since the houses are located outside the area covered by a land development license, the bank requires that the subsidiary provided it with undertakings to buy the houses back from the home buyers in the event they default on payment of their debts or their access is blocked. The buyback price is the higher of the market value of the house and the home buyer's outstanding debt to the bank. As at 31 March 2024 and 31 December 2023, the home buyers' outstanding debts totaled Baht 4.0 million.
- b) A subsidiary may have a commitment derived from being one of defendants in a lawsuit. The subsidiary's legal advisor and management believed that the subsidiary will not incur any losses arising from this litigation; therefore, no provision for contingent liabilities has been recorded in the account.

13. 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

As at 31 March 2024 and 31 December 2023, the Group had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	As at 31 March 2024				As at 31 December 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value								
Financial assets measured at FVTPL								
- Investment in investment units in mutual funds	-	-	-	-	-	28	-	28
Financial assets measured at FVOCI								
- Investment in REIT	-	67	-	67	-	74	-	74
- Investment in equity instrument of non-listed companies	-	-	20	20	-	-	20	20
Property, plant and equipment	-	516	-	516	-	518	-	518

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements							
	As at 31 March 2024				As at 31 December 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value								
Financial assets measured at FVTPL								
- Investment in investment units in								
mutual funds	-	-	-	-	-	28	-	28
Property, plant and equipment	-	362	-	362	-	362	-	362

During the current period, there were no transfers between the levels of the fair value hierarchy.

14. Events after the reporting period

- a) On 23 April 2024, the Annual General Meeting of the Company's shareholders approved the dividend payment for 2023 to the Company's shareholders of Baht 0.04 par share or total of Baht 52.19 million. The dividend will be paid to shareholders on 21 May 2024.
- b) On 23 April 2024, the Annual General Meeting of the shareholders of Sammakorn Plc. approved the dividend payment for 2023 to the shareholders of Baht 0.03 per share, or total of Baht 19.25 million, with the Company to receive Baht 9.29 million. The dividend will be paid to shareholders on 21 May 2024.
- c) On 14 May 2024, the Board of Directors Meeting of the Company passed a resolution approving the repurchase of 20,000 shares in Onward Venture Co., Ltd. from partner at a price of Baht 75.88 each, totaling Baht 1,517,600, resulting in the increase in the Company's shareholding percentage from 80% to 90%.

15. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 May 2024.