

Rayong Purifier Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month periods ended
31 March 2012 and 2011

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Rayong Purifier Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Rayong Purifier Public Company Limited and its subsidiaries as at 31 March 2012, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month periods ended 31 March 2012 and 2011, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separate financial information of Rayong Purifier Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of review

I conducted my reviews in accordance with 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 auditing standards 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.

Basis for being unable to reach a conclusion

- 1) As discussed in Note 1.2 and Note 20.3 a) to the financial statements, the Company is involved in a significant commercial dispute and outstanding litigation with its major raw material supplier. At present, these are under formal arbitration proceedings and litigation, meaning their outcomes cannot be determined and depend on the future judicial process. As a consequence of the dispute, the major raw material supplier has stopped delivering raw materials to the Company since February 2012, which has forced the Company to cease production since it has been unable to find new suppliers of these raw materials. This matter raises substantial doubt about the Company's ability to continue as a going concern, with uncertainty regarding the results of the commercial dispute and outstanding litigation, the ability to find a new source of raw materials, the possibility of relocating the plant to be close to this new source, the sale of assets and the search for new business opportunities.

- 2) The Company is in the process of reviewing the recoverable amount in order to review impairment and make adjustments to the following accounts in accordance with generally accepted accounting principles.
- a) Property, plant and equipment as presented in the consolidated statement of financial position as at 31 March 2012, amounted to Baht 1,159 million (31 December 2011: Baht 1,187 million) and in the separate statement of financial position was Baht 588 million (31 December 2011: Baht 602 million). Property, plant and equipment of the Company is in the process of being revalued by an independent professional appraiser, and subsidiaries are in the process of reviewing for impairment by determining value in use using a discounted cash flow method.
 - b) Investments in subsidiaries, as presented in the separate statement of financial position as at 31 March 2012, amounted to Baht 432 million (31 December 2011: Baht 432 million). The Company is in the process of reviewing for impairment using a discounted cash flow method.

Being unable to reach a conclusion

Because the uncertainties regarding ability to continue as a going concern discussed in paragraph 1) and the results of the impairment reviews of assets discussed in paragraph 2) could have a material effect on the consolidated interim financial information of Rayong Purifier Public Company Limited and its subsidiaries and the separate interim financial information of Rayong Purifier Public Company Limited for the three-month period ended 31 March 2012, I am unable to reach a conclusion on this interim financial information.

Based on my review, nothing has come to my attention that causes me to believe that the accompanying consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2011 of Rayong Purifier Public Company Limited and its subsidiaries, and the separate financial information of Rayong Purifier Public Company Limited for the same period, are not prepared, in all material respects, in accordance with Accounting Standard 34 *Interim Financial Reporting*.

Statements of financial position as at 31 December 2011 for comparative purposes

I have previously audited the consolidated financial statements of Rayong Purifier Public Company Limited and its subsidiaries and the separate financial statements of Rayong Purifier Public Company Limited for the year ended 31 December 2011 in accordance with auditing standards, and did not express an opinion on those statements under my report dated 17 February 2012. The consolidated and separate statements of financial position as at 31 December 2011, as presented herein for comparative purposes, formed an integral part of those financial statements. I have not performed any other audit procedures subsequent to the date of the above report.

Sumalee Reewarabandith
Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited
Bangkok: 10 May 2012