

Rayong Purifier Public Company Limited  
and its subsidiaries  
Review report and interim financial statements  
For the three-month and six-month periods ended  
30 June 2013

## **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 30 June 2013, the related consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2013, the consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I 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 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.

### **Basis for Being Unable to Reach a Conclusion**

As discussed in Note 1.2 and Note 15.5 a) to the financial statements, in 2009 and 2010 the Company became involved in a significant commercial dispute and outstanding litigation with its major raw material supplier. At present, the commercial dispute is under formal arbitration proceedings, and the outstanding litigation is being considered by the Civil Court, meaning their outcomes cannot be determined and depend on the future judicial process. As a consequence of the dispute, the major raw material supplier stopped delivering raw materials to the Company in February 2012, and 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 had to cease operation. This matter raises substantial doubt about the ability of the Company and some of its subsidiaries to continue as going concerns, and this depends on the outcome of the commercial dispute and outstanding litigation, efforts to find a new source of raw materials, as well as the feasibility of relocating the plant to be close to this new source, the sale of assets and the search for new business opportunities. The predecessor auditor therefore did not express an opinion on the consolidated financial statements and separate financial statements for the year ended 31 December 2012 and unable to reach a conclusion on the interim consolidated financial information and the interim separate financial information for the three-month and six-month periods ended 30 June 2012. In the current period, the issue has not been resolved, the outstanding litigation is still being considered by the Court and the core operations of the Company and its subsidiaries are still suspended.

### **Being Unable to Reach a Conclusion**

Because the matter described in the Basis for Being Unable to Reach a Conclusion paragraph materially affects the consolidated financial statements of Rayong Purifier Public Company Limited and its subsidiaries and the separate financial statements of Rayong Purifier Public Company Limited as at 30 June 2013 and for the three-month and six-month periods then ended, I am unable to reach a conclusion on this interim financial information.

### **Emphasis of Matter**

I draw attention to Note 3 to the financial statements regarding the change in accounting policy as the result of adoption of Thai Accounting Standard 12 *Income Taxes*. My conclusion is not changed in respect of this matter.

**Other Matter**

The consolidated statement of financial position of Rayong Purifier Public Company Limited and its subsidiaries, and the separate statement of financial position of Rayong Purifier Public Company Limited as at 31 December 2012 (before restatement) were audited by another auditor of our firm who did not express an opinion on those statements, under her report dated 28 March 2013. The consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2012, the consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended of Rayong Purifier Public Company Limited and its subsidiaries, and the separate financial statements of Rayong Purifier Public Company Limited for the same period (before restatement) were also reviewed by the aforementioned auditor who concluded, under her report dated 9 August 2012, that she was unable to reach a conclusion on the interim financial information.

Vissuta Jariyathanakorn

Certified Public Accountant (Thailand) No. 3853

Ernst & Young Office Limited

Bangkok: 9 August 2013