

RPCG Public Company Limited (Formerly known as
“Rayong Purifier Public Company Limited”)
and its subsidiaries
Audit report and consolidated financial statements
31 December 2013

Independent Auditor's Report

To the Shareholders of RPCG Public Company Limited
(Formerly known as "Rayong Purifier Public Company Limited")

I have audited the accompanying consolidated financial statements of RPCG Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of RPCG Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RPCG Public Company Limited and its subsidiaries and of RPCG Public Company Limited as at 31 December 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of Matters

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

- a) As discussed in Notes 1.2 and 37.5 a) to the financial statements, since the year 2009 the Company has been involved in a significant commercial dispute and outstanding litigation 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. These matters raised substantial doubt about the ability of the Company and some of its subsidiaries to continue as going concerns. 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. However, in the current year this uncertainty has eased. Although the commercial dispute is under formal arbitration proceedings, and the outstanding litigation is being considered by the Civil Court, the Company plans to purchase Baht 900 million of the ordinary shares of a company that is principally engaged in the rental of oil depot and port business, and to sell the Company's key machinery and equipment to that company at a price higher than net book value, for use in production. The Company paid a deposit of Baht 200 million for the purchase of the shares in October 2013 and the remaining amount is to be paid by 18 April 2014. The purchase will be financed by a Baht 502 million increase in share capital in February 2014 and the Company's working capital. On 28 January 2014, the Company entered into share purchase and sale agreements with the existing shareholders of the target company. In addition, on 6 March 2014 the Company entered into a purchase and sale of machinery and equipment agreement with such company. Under the agreement, the Company needs approval from its Board of Directors and shareholders. That company plans to move the machinery and equipment to a new location for use in production.

As a result of the above plan, some significant uncertainties that may impact on the ability of the Company and its subsidiaries to continue as going concerns have eased in the current year. I therefore express an unqualified opinion on the consolidated financial statements and separate financial statements for the year ended 31 December 2013. However, I draw attention to the matter that the Company and its subsidiaries have suffered consistent operating losses in the years since the cessation of production in 2012, and their current liabilities exceeded their current assets by Baht 945 million. Current liabilities include liabilities under the commercial dispute and outstanding litigation with its major raw material supplier, discussed above. These factors would raise substantial doubt regarding the ability of the Company and its subsidiaries to continue as going concerns, should the outcome of the litigation not be in favour of the Company. However, there remains uncertainty regarding the outcomes of the commercial dispute and outstanding litigation, which cannot be concluded at this time and depend on future judicial proceedings.

- b) As discussed in Note 4 to the financial statements regarding the change in accounting policy due to the adoption of Thai Accounting Standard 12 *Income Taxes*, the Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the newly adopted accounting policy for income taxes.

My opinion is not qualified in respect of these matters.

Other Matter

The consolidated financial statements of RPCG Public Company Limited and its subsidiaries, and the separate financial statements of RPCG 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, due to the significant commercial dispute and outstanding litigation with its major raw material supplier and the cessation of its core operations.

Vissuta Jariyathanakorn

Certified Public Accountant (Thailand) No. 3853

EY Office Limited

(Formerly known as “Ernst & Young Office Limited”)

Bangkok: 7 March 2014