

RPCG Public Company Limited and its subsidiaries
Review report and interim financial statements
For the three-month period ended 31 March 2016

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of RPCG Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of RPCG Public Company Limited and its subsidiaries as at 31 March 2016, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of RPCG Public Company Limited for the same period. 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.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Emphasis of matters

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

- a) As discussed in Notes 1.2 and 15.5 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. On 20 April 2015, the 2015 Annual General Meeting of the shareholders approved a resolution to permanently discontinue the refinery business in Rayong Province. The Group has therefore suffered consistent operating losses in the years since the cessation of production in 2012. Later, in March 2016, an arbitral tribunal rendered an award by a majority vote to order this major supplier (litigant) to pay damages for the unlawful termination of the agreement with the Company and the Company received certain compensation. The Company is entitled to file application petition with the Civil Court to seek enforcement of the arbitration award by the court within 3 years from the date on which such arbitration award may be enforced. Even though some significant uncertainties that may impact on the ability of the Group to continue as going concern have currently eased as a result of the management plan discussed in Note 1.2 to the financial statements, the Group has suffered operating losses and as at 31 March 2016 its current liabilities exceeded its current assets by Baht 1,475 million (31 December 2015: Baht 1,518 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 Group to continue as going concern, if the litigant does not comply with the arbitral award and exercises its legal right to petition the courts to revoke the award, and if the outcome of the related litigation is not 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 6 to the financial statements, during the year 1997 Chonburi Province (plaintiff) sued a total of 8 unrelated companies and persons (defendants), charging that they had wrongly encroached on state land, exploded rock, and destroyed the natural environment, and claiming damages. During the year 2005, Chonburi Provincial Court issued a judgement ordering the defendants to jointly indemnify the damages, and revoking the title deeds held by the defendants, including the title deed to a plot of land owned by an associated company and used as the site of a dock and terminal project. Later, in July 2010, the Court of Appeals amended the judgement, whereby the title deeds held by the defendants, including the title deed to a plot of land owned by the associated company would not be revoked, since such an order exceeded the scope of the lawsuit. However, at present, the case is under consideration of the Supreme Court. The outcome of the dispute cannot be determined and depends on future judicial proceedings.

My conclusion is not qualified in respect of these matters.

Poonard Paucharoen
Certified Public Accountant (Thailand) No. 5238

EY Office Limited
Bangkok: 12 May 2016