

RPCG Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2022

1. General information

1.1 Basis of 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 2021. However, during the current period, there were significant structure changes regarding the dissolution of a subsidiary as discussed in Note 5 to the interim consolidated financial statements.

1.3 Significant 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 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, 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	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Trade receivables - related party				
Aged on the basis of due dates				
Past due				
Not over 3 months	46	17	-	-
Total trade receivables - related party	46	17	-	-
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Past due				
Not over 3 months	28,866	25,484	-	-
3 - 6 months	134	108	-	-
6 - 12 months	6	4	-	-
Over 12 months	3,293	3,353	-	-
Total	32,299	28,949	-	-
Less: Allowance for expected credit losses	(2,453)	(2,544)	-	-
Total trade receivables - unrelated parties, net	29,846	26,405	-	-
Total trade receivables - net	29,892	26,422	-	-
Other receivables				
Accrued income - related parties	417	1,737	4,818	6,503
Accrued income - unrelated parties	605	514	49	21
Others	7,706	5,326	4,190	2,663
Total	8,728	7,577	9,057	9,187
Less: Allowance for expected credit losses	(4,790)	(3,509)	(3,774)	(2,450)
Total other receivables - net	3,938	4,068	5,283	6,737
Total trade and other receivables - net	33,830	30,490	5,283	6,737

(Unaudited but reviewed)

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. During the current period, there were no significant changes in the transfer pricing policy of transactions with related parties.

Summaries significant business transactions with related parties as follows.

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Transactions with subsidiary				
(Eliminated from the consolidated financial statements)				
Other income - other services	-	-	1	1
Transactions with associates				
Dividend income	12	9	12	9
Interest income	-	3	-	3
Land rental expenses	1	-	-	-
Other expenses	1	-	-	-
Transactions with related party				
Interest income	1	-	1	-

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Transactions with subsidiaries				
(Eliminated from the consolidated financial statements)				
Dividend income	-	-	1	-
Interest income	-	-	-	4
Other income - other services	-	-	1	1
Transactions with associates				
Dividend income	12	9	12	9
Interest income	-	4	-	4
Land rental expenses	1	-	-	-
Office rental expenses	1	-	-	-
Other expenses	1	-	-	-
Transactions with related party				
Interest income	1	-	1	-

(Unaudited but reviewed)

The balances of the accounts between the Group and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Trade receivables - related party				
Associate	46	17	-	-
Total trade receivables - related party	46	17	-	-
Other receivables - related parties				
Subsidiaries	-	-	4,401	5,706
Associate	-	1,566	-	626
Related company	417	171	417	171
Total other receivables - related parties	417	1,737	4,818	6,503
Other payables - related parties				
Joint venture	-	1,000	-	-
Associate	319	387	-	-
Related company	5,700	2,498	5,700	2,498
Total other payables - related parties	6,019	3,885	5,700	2,498
Lease liabilities - related party				
Related company	17,327	18,519	-	-
Less: Portion due within one year	(2,697)	(2,594)	-	-
Lease liabilities - related party, net of current portion	14,630	15,925	-	-

Loans to related parties and loan from related party

During the six-month period ended 30 June 2022, movements of loans to and loan from between the Group and related parties were as follows.

(Unit: Thousand Baht)

		Consolidated financial statements			
		Balance as at 31 December 2021	Increase during the period	Decrease during the period	Balance as at 30 June 2022
Related by					
Short-term loans to related parties					
Sammakorn Plc.	Associate	100,000	-	(100,000)	-
Petro-Instruments Corp., Ltd.	Related company	40,000	4,000	(2,800)	41,200
Total		140,000	4,000	(102,800)	41,200

(Unaudited but reviewed)

(Unit: Thousand Baht)

		Consolidated financial statements			
		Balance as at	Increase	Decrease	Balance as at
		31 December	during	during	30 June
Related by		2021	the period	the period	2022
Long-term loan to related party					
KP Energy Group Co., Ltd.	Related company	4,500	-	-	4,500
Less: Allowance for					
expected credit losses		(4,500)	-	-	(4,500)
Net		-	-	-	-

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at	Increase	Decrease	Balance as at
		31 December	during	During	30 June
Related by		2021	the period	the period	2022
Short-term loans to related parties					
Pure Biodiesel Co., Ltd.	Subsidiary	319,188	-	-	319,188
Sammakorn Plc.	Associate	100,000	-	(100,000)	-
Petro-Instruments Corp., Ltd.	Related company	40,000	4,000	(2,800)	41,200
Total		459,188	4,000	(102,800)	360,388
Less: Allowance for					
expected credit losses		(319,188)	-	-	(319,188)
Net		140,000	4,000	(102,800)	41,200

Long-term loans to related parties

Pure Thai Energy Co., Ltd.	Subsidiary	80,000	-	(80,000)	-
KP Energy Group Co., Ltd.	Related company	4,500	-	-	4,500
Total		84,500	-	(80,000)	4,500
Less: Allowance for					
expected credit losses		(4,500)	-	-	(4,500)
Net		80,000	-	(80,000)	-

Short-term loan from related party

RPCG-JV 1 Co., Ltd.	Subsidiary	299,500	-	(299,500)	-
Total		299,500	-	(299,500)	-

(Unaudited but reviewed)

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2022 and 2021, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Short-term employee benefits	3,491	3,659	2,374	2,860
Post-employment benefits	271	362	192	243
Total	<u>3,762</u>	<u>4,021</u>	<u>2,566</u>	<u>3,103</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Short-term employee benefits	6,807	7,337	4,748	5,723
Post-employment benefits	645	709	387	477
Total	<u>7,452</u>	<u>8,046</u>	<u>5,135</u>	<u>6,200</u>

4. Investment in associate

As at 30 June 2022, fair value of investment in Sammakorn Public Company Limited, an associate that is listed company on the Stock Exchange of Thailand, was Baht 458 million (31 December 2021: Baht 585 million).

During the periods, the Company received dividend income from the associate in the separate financial statements as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2022	2021	2022	2021
Sammakorn Public Company Limited	12,388	9,291	12,388	9,291

(Unaudited but reviewed)

5. Investments in subsidiaries

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

Company	Cost		(Unit: Thousand Baht)			
			Dividend received for the three-month periods ended 30 June		Dividend received for the six-month periods ended 30 June	
	30 June 2022	31 December 2021	2022	2021	2022	2021
Pure Biodiesel Co., Ltd. *	279,999	279,999	-	-	-	-
Pure Thai Energy Co., Ltd.	140,000	140,000	-	-	-	-
RPC Management Co., Ltd. *	956	956	-	-	-	-
RPCG-JV 1 Co., Ltd.	-	300,000	-	-	1,320	-
Onward Venture Co., Ltd. **	10,000	10,000	-	-	-	-
Total	430,955	730,955	-	-	1,320	-
Less: Allowance for impairment	(104,189)	(104,189)				
Investments in subsidiaries - net	326,766	626,766				

* Business suspended.

** Business has not yet commenced its operation.

RPCG-JV 1 Co., Ltd.

On 21 February 2022, the Annual General Meeting of the Shareholders of RPCG-JV 1 Company Limited (RPCG-JV 1) has a special resolution to dissolve RPCG-JV 1. On 1 March 2022, RPCG-JV 1 registered its dissolution with the Ministry of Commerce. Later, on 8 March 2022, the Company received cash proceeds from return of capital from RPCG-JV 1 amounting to Baht 300 million. RPCG-JV1 registered its liquidation on 25 May 2022.

6. Investment properties

Movements of the investment properties for the six-month period ended 30 June 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2022	182,931	146,936
Transfers to right-of-use assets - net book value	(6,188)	-
Depreciation for the period	(1,101)	-
Net book value as at 30 June 2022	175,642	146,936

(Unaudited but reviewed)

7. Right-of-use assets

Movements of right-of-use assets for the six-month period ended 30 June 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2022	510,085	2,075
Addition during the period	35,635	-
Transfers from investment properties - net book value	6,188	-
Depreciation for the period	(41,337)	(539)
Adjustment due to lease modification	(109)	(109)
Net book value as at 30 June 2022	510,462	1,427

8. 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 its reportable segments. The Company and its subsidiaries are principally engaged in the energy segment and their operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits or loss and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

9. Dividend

Dividend declared during the six-month period ended 30 June 2022 consisted of the follow:

Dividend	Approved by	Total dividend	Dividend per share
		(Thousand Baht)	(Baht)
Final dividend for 2021	Annual General Meeting of the Company's shareholders on 21 April 2022	130,463	0.10
		130,463	0.10

During the six-month period ended 30 June 2021, the Company has not declared a dividend payment.

(Unaudited but reviewed)

10. Commitments and contingent liabilities

10.1 Capital commitments

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Constructions of gas stations agreements	15	6	-	-
Solar roof power generation system agreement	2	7	2	7
Installation of computer software agreement	1	2	1	2

10.2 Guarantees

- a) 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	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Letter of trade creditor guarantee	180	180	-	-
Letter of electricity use guarantee	2	2	-	-

- b) As at 30 June 2022 and 31 December 2021, a subsidiary 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.

10.3 Long-term purchase commitments

As at 30 June 2022, a subsidiary has signed up to gasoline trading agreements with Esso (Thailand) Public Company Limited and was granted the right to use the “Esso” trademark at 75 gasoline stations (31 December 2021: 74 gasoline stations). During the current period, there have been no significant changes with respect to the agreements as disclosed in Note 40.3 to the consolidated financial statements for the year 2021.

10.4 Uncalled portion of investment in joint venture

As at 30 June 2022, its subsidiary has no a commitment relating to the uncalled portion of investment in joint venture (31 December 2021: Baht 1 million).

11. 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

During the current period, there were no changes in the methods and the assumptions used to estimate the fair value of financial instruments and there were no transfers between the levels of the fair value hierarchy.

12. Event after the reporting period

On 15 July 2022, the Extraordinary General Meeting of Shareholders of RPC Management Company Limited (RPCM) passed a special resolution to approve a decrease in its registered share capital from Baht 500,000 to Baht 125,000 by reducing the par value of the share from Baht 100 per share to Baht 25 per share. The reduction in registered capital had no effect on the number of shares of RPCM and the Company's shareholding percentage. Currently, RPCM is in the process of registering the capital reduction.

13. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 15 August 2022.