



RPM Automotive Group Ltd
6-18 Antonella Court,
Dandenong South, Vic 3175
ABN: 34 002 527 906

THE RPM GROUP

27 August 2019

Listings Compliance
ASX
20 Bridge Street
Sydney NSW 2000

Dear Sir,

**RE: REINSTATEMENT TO OFFICIAL QUOTATION
RPM AUTOMOTIVE GROUP LIMITED (RPM) (THE "COMPANY")
(FORMERLY KAIRIKI ENERGY LIMITED (KIK))**

Pursuant to ASX conditions of quotation of the Company's securities the Company confirms that:

- (a) The Public Offer under the Prospectus dated 29 May 2019 has closed and the Company received subscriptions of \$2,612,854.40 and will issue 13,064,272 ordinary fully paid shares to subscribers at an issue price of \$0.20 per share and approximately 3,266,068 (subject to rounding) free attaching options exercisable at \$0.25 each on or before a date that is two years from the date of issue under the Prospectus (the "Public Offer Securities")(the "Public Offer").

The Company presents an updated pro-forma statement of financial position based on the completed business acquisitions and capital raising of \$2,612,854.40.


Appendix 1: The Company's updated pro-forma balance sheet.

Appendix 2: The basis for the director's revaluation of Property, Plant and Equipment from \$1,054,758 to \$2,250,000.

Appendix 3: A letter from Walker Wayland Advantage confirming attendance and audit of the Company's stocktake at 30 June 2019.

Appendix 4: An explanation of the audit modification in relation to Riley Street Automotive as noted on page 93 of the Prospectus.

Yours faithfully,


Campbell Welch
Chairman



Spider GT



Appendix 1:



RPM Automotive Group Pro Forma Aggregated Statement of Financial Position

	PRO-FORMA POST ACQUISITION \$2,612,854 RAISED
	\$
CURRENT ASSETS	
Cash and cash equivalents	751,107
Trade and other receivables	1,041,562
Prepayments	-
Inventories	5,527,450
Other Current Assets	-
TOTAL CURRENT ASSETS	7,320,119
NON CURRENT ASSETS	
Trade and other receivables	82,804
Other financial assets	-
Property, plant and equipment	2,250,000
Intangible Assets	-
Deferred tax assets	-
TOTAL NON-CURRENT ASSETS	2,332,804
TOTAL ASSETS	9,652,923
CURRENT LIABILITIES	
Trade and other payables	2,496,677
Borrowings/Financial Liabilities	368,865
Current tax liabilities	-
Short-term Provisions	388,288
TOTAL CURRENT LIABILITIES	3,253,830
NON-CURRENT LIABILITIES	
Borrowings/Financial Liabilities	1,600,000
TOTAL NON-CURRENT LIABILITIES	1,600,000
TOTAL LIABILITIES	4,853,830
NET ASSETS	4,799,093
EQUITY	
Issued Capital	17,329,603
Reserves	-
Accumulated Losses	12,530,510
TOTAL EQUITY	4,799,093

Walker Wayland Advantage Corporate Pty Ltd

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20 August 2019

Mr Campbell Welch
Chairman
RPM Automotive Group Limited
C/- Novus Capital
Level 24/56 Pitt Street
SYDNEY NSW 2000

Dear Campbell

**RE: RPM Automotive Group Limited (RPM)
ASX Reinstatement Decision**

We refer to the request from Elvis Onyura of the ASX, concerning the reinstatement decision of RPM, in respect of our firm providing:

“.....

A statement setting out the following:

(a) the basis upon which the Company's directors revalued the Company's plant and equipment from \$1,054,758 to \$2,250,000 as at 31 December 2018;

.....”

Further to our prior responses to the ASX in respect of this matter, we note the following:

1. Financial accounts disclosure of Plant and Equipment value at written down value of \$1,054,758 was based on both prior year annual audited and review accounts up to 31st December 2018.
2. The Business Sale Agreements (BSAs) represent third party agreements between the parties where the Directors of RPM Group identified the value held within each of the various businesses acquired, including a valuation of Plant & Equipment.
3. As a result of our review and correspondence with the Directors advised a revaluation amount of \$1,195,242 to increase Plant & Equipment value to \$2,250,000 as disclosed as the Director's Valuation of Plant and Equipment.
4. The Directors provided a letter identifying their valuation of Plant and Equipment and an undertaking to engage in a 3rd party valuation process once all Plant & Equipment (both on current P&E registers and other items) were legally the property of the RPM Group and verify insurance values.
5. In addition, we have reviewed the respective business entities insurance policies which details insurance coverage lump sum value for assets inclusive of trading stock and fixed assets. The Directors advise that the insurance level of coverage for Plant and Equipment is equivalent to or in excess of the Director's valuation.

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Independent Member

B K R
INTERNATIONAL

Independent Member of Walker Wayland Australasia Limited,
a network of independent accounting firms.

Liability limited by a scheme approved under professional standards legislation.



CONCLUSION

In our view, based upon the above, the revaluation of Plant and Equipment was based upon values provided by the RPM Directors.

In addition, we note the level of insurance coverage for Plant and Equipment value in the respective businesses is in line with the Director's Valuation together with a 3rd party valuation process for Plant & Equipment is now being undertaken by RPM.

Please contact me if you require any further information in respects of this matter.

Yours faithfully



Philip MacIsaac
Director

Walker Wayland Advantage Audit Partnership

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2 August 2019

Mr Campbell Welch
RPM Automotive Group Limited
C/ - Novus Capital
Level 24/56 Pitt Street
Sydney NSW 2000

RE: Attendance at stocktake 30 June 2019

Dear Campbell,

In response to your request in relation to work conducted at the stocktakes of entities to be acquired by the RPM Automotive Group Limited we conducted the following procedures:

1. Agreed with management that a full stocktake needs to be performed as the initial plan was a fully substantive approach.
2. Identify all locations with significant inventory amounts
3. Obtained copies of perpetual inventory system reports detailing balances at each location. These will be used for follow up testing
4. Determine whether adequate instructions were given to accounting staff
5. Ensured stock areas were clearly identified and arranged conveniently for counting
6. Ensure no movement of stock during counting
7. Performed extensive test counts from perpetual records to physical stock
8. Performed extensive test counts from physical stock to perpetual records
9. Tour premises at the end of count to gain comfort on completeness of count
10. Obtain copies of cut-off documentation for follow up testing
11. Identify obsolete items with assistance of local manager. These instances were minimal due to the nature of the product

Conclusion:

Audit was satisfied with the existence and accuracy of the physical stockholding reflected on the perpetual stock records at 30 June 2019.

Recommendation:

Although informal procedures are in place to maintain the accuracy of perpetual inventory systems across entities it will need to be formalised across the group for internal control purposes.

Trust you find the above in order

Kind regards



Ben Bester
Partner

Appendix 4:

RPM Automotive Group Ltd
6-18 Antonella Court,
Dandenong South, Vic 3175
ABN: 34 002 527 906

THE RPM GROUP

5 August 2019

Mr Campbell Welch
Chairman
RPM Automotive Group Limited
C/- Novus Capital
Level 24/56 Pitt Street
Sydney NSW 2000

By Email: campbell.welch@novuscapital.com.au

Dear Campbell,

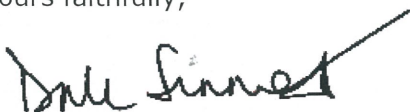
In reference to Mr Elvis Onyura, Senior Advisor, Listings Compliance, Australian Stock Exchange (**ASX**) query in relation to Riley Street Automotive Pty Ltd Trading As Tyresome, I note the following circumstances as explanation as to why the support documentation of Riley Street Automotive Pty Ltd for the period ending 31st December 2018 was unavailable for the Auditors.

- The Directors of Riley Street Automotive Pty Ltd advised that their premises were severely flooded during December 2018 due to a serious hail storm that ripped through the roof of the premises and caused flood damage.
- As a consequence of this event they were unable to proceed with their month end period Accounting closure processes and produce the December month end reports.
- Due the live nature of the Accounting system they were unable to provide reconciled data for that month end and it is difficult, expensive and not accurate to get a back-up copy of the data from the software provider.

As the damage occurred in December 2018, it was an unknown and a subsequent event to the June 2018 Audit and therefore unable to be notated in the June 2018 audit.

Should you require any additional information in relation to the matters raised, please do not hesitate to contact me direct on 0418 996 848.

Yours faithfully,



Dale Sinnott B.Bus CPA
Chief Financial Officer



Spider GT

REVOLUTION
RACEGEAR