
No. 11/2018

SEC urges CHUO to cooperate with its auditor and submit financial statements promptly

Bangkok, 1 February 2018 – The SEC is urging Chuo Senko (Thailand) Public Company Limited (CHUO) to cooperate with its auditor regarding the auditing of the company's financial statements for the first three quarters of 2016. The company must also submit to the SEC and publicly disclose the financial statements which have been rectified and audited by the auditor promptly.

Earlier, CHUO's auditor expressed a qualified opinion in the auditor's report on the financial statements for Q1/2016 and Q2/2016 because the auditing scope was limited by the company's executives. Consequently, the auditor was unable to find sufficient evidence to justify the management's decision to execute transactions for investment in two associate companies.

In addition, the auditor could not reach a conclusion for the audit of the financial statements for Q3/2016 on the basis of (1) insufficient evidence on the reasonableness of the management's decision to make transactions for investment in two associate companies, (2) insufficient evidence on the reasonableness of the management's decision to approve the deposit payment for the investment in the Native based Scene Advertising Digital Solution, and (3) the auditor's qualified opinion on the financial statements of the subsidiary because the subsidiary failed to set an allowance for doubtful accounts and had yet to improve the efficiency of its internal control with regard to the approval of invoice issuance, expenses, payments, selection of service providers, and compliance with local rules and regulations.

The SEC has therefore instructed CHUO to cooperate with the auditor in providing information and documents and submit the financial statements for Q1/2016, Q2/2016, and Q3/2016, which have been rectified and audited by the auditor, as well as the annual financial statements for the year 2016 and for the first three quarters of 2017 to the SEC in accordance with the *Notification of the Capital Market Supervisory Board No. Tor Jor. 44/2556*. In addition, all of the said financial statements must be disclosed to the public promptly.