

No. 102/2012

SEC notifies PICNI to rectify 2010 financial statements and cooperate with the auditors

Bangkok, November 26, 2012 – The SEC notified Picnic Corporation PLC (PICNI) to rectify its 2010 financial statements and cooperate with the auditor in auditing its 2010 and 2011 financial statements. PICNI must submit to the SEC and publicly disclose the rectified and audited financial statements within December 26, 2012.

Earlier, the SEC found that the auditor did not express opinion on such financial statements considering the company's 2010 financial statements not in compliance with the generally accepted accounting principles. The company did not arrange the assessment of value and quantity of small-sized gas cylinders and record allowances for impairment in accordance with generally accepted accounting principles. Moreover, the auditor was unable to find sufficient supporting evidence to satisfy the audit procedures due to limitation on scope of audit imposed by the PICNI management in various matters including inability to obtain certification from the company's management regarding responsibility for the financial statement preparation, inability to audit operating system manual in petroleum gas selling system, gas packaging tanks purchasing system and small-sized gas cylinders quantity control system, inability to audit outstanding balance of petroleum gas stock inventory, gas tanks deposits, financial institutions accounts payable, and trade accounts receivable. In addition, the auditor of SCT Vietnam Gas Co., Ltd., a PICNI's subsidiary, was also encountered limitation on scope of audit imposed by the company management in various matters including audit on financial institution deposits, petroleum gas stock inventories, trade accounts receivable, trade accounts payable and gas tanks deposits.

Besides, in auditing 2011 financial statements, the auditor indicated that he was unable to find supporting evidence to satisfy the audit procedures due to limitation on scope of audit imposed by the company management in several matters including audit procedures to evaluate effectiveness of internal control over small-sized gas cylinders quantity, deposits received for small-sized gas cylinders of PICNI and SCT Vietnam Gas Co., Ltd., and audit on the past record of purchases of small-sized gas cylinders determined by the Revenue Department as fictitious purchases.

The SEC therefore notified PICNI to rectify the financial statements and satisfy the auditors with supporting information and documents. The rectified and audited financial statements must be submitted to the SEC and disclosed to the public by December 26, 2012.
