

The Audit and Risk Committee, through its Chairman, shall report to the Board at the next Board meeting after each Audit and Risk Committee meeting. When presenting any recommendation to the Board, the Audit and Risk Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.

4. SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 MARCH 2019

4.1 During the FYE2019, the Audit and Risk Committee carried out its duties as set out in its Terms of Reference. A summary of work performed by the Audit and Risk Committee are as follows:

(a) Financial Reporting:

- Reviewed the Group's quarterly unaudited financial results and audited financial statements to ensure compliance with the Bursa Listing Requirements, applicable approved accounting standards and other statutory and regulatory requirements prior to recommending to the Board for approval.
- Reviewed the impact of any changes to the accounting policies and adoption of new accounting standards as well as accounting treatments used in the financial statements.
- Obtained assurance from the Group MD and CFO that:
 - appropriate accounting policies had been adopted and applied consistently;
 - the going concern basis applied in the audited financial statements and quarterly financial results was appropriate;
 - adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRSs and Bursa Listing Requirements; and
 - the relevant financial statements for the FYE2019 gave a true and fair view of the state of affairs of the Group.

(b) External Audit:

- Reviewed with the external auditors their audit plan, strategy and scope of the statutory audits of the Group accounts for the FYE2019 together with the external auditors. The audit plan outlines their scope of work and proposed fees for the statutory

audit, assurance-related review and review of the Statement on Risk Management and Internal Control.

- Reviewed the major issues that arose during the course of the audit and their resolution;
- Reviewed the key accounting and audit judgements.
- Reviewed the recommendations made by the external auditors in their management letters and the adequacy of management's response.
- Assessed the effectiveness, the qualification and performance of the external auditors, the quality and the auditors' communication with the Audit and Risk Committee including their independence via a detailed questionnaires completed by the Audit and Risk Committee members as well as the feedback from the business units evaluating the performance of each assigned audit team and provided the recommendation on their re-appointment and remuneration to the Board.

The external auditors ie; Messrs. Hanafiah Raslan & Mohamad have provided written confirmation to the Audit and Risk Committee on 27 February 2019 that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The Audit and Risk Committee after performing an effectiveness review, is satisfied with the external auditors' effectiveness and independence. However, for financial year ending 31 March 2020, the Board decided to appoint Messrs. Ernst & Young in place of retiring Messrs. Hanafiah Raslan & Mohamad and will be processing the appointment at the Company's 47th Annual General Meeting, which to be held on 28 August 2019.

(c) Internal Audit:

- Reviewed and approved the annual Internal Audit Plan for the FYE2019 as proposed by GIA, to ensure the adequacy of resources, coverage and inclusion of risk areas in the scope of review.
- Reviewed and deliberated on audit reports, follow-up reports, audit recommendations and Management responses, prepared by the GIA at Audit and Risk Committee's quarterly meetings.