

REPORT OF AUDIT COMMITTEE ON THE ADEQUACY ASSESSMENT FOR INTERNAL CONTROL SYSTEM

The Audit Committee of the Company was formed on 28 October 2014 and consist of three (3) qualified Independent & Non-Executive Directors according to the definition and requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. The particulars of the Audit Committee members are as follows:

NO	Name	Designation
1.	Abdul Khudus Bin Mohd Naaim	Chairman
2.	Nuthavuth Chartletpipat	Member
3.	Apichat Suttisiltum	Member

The Audit Committee is tasked to assist the Board of Directors (“the Board”) and the overall duties and responsibilities are as follows:

1. to review the financial statements, the significant accounting and reporting issues including complex or unusual transactions and highly judgmental areas including to discuss with the Company’s Management and external auditor regarding audit results, relevant risks and management action to decrease the identified risks and to review the effectiveness of internal control over the financial reporting process.
2. to review the effectiveness and adequacy of internal control system including control over the information technology system and the implementation of the recommendations on internal control from internal and external auditors.
3. to review and approve the internal audit charter, annual audit plan, staffing and resources required for the internal audit and to review the effectiveness of the internal audit that complies with the Professional Practices of Internal Auditing.
4. to review and approve the compliance charter, annual plan, staffing and resources required of compliance and control function including to review the non-compliance issues raised by regulatory agencies and the rectification of those issues.
5. to review the adequacy of the Company’s risk management process and policies and the effectiveness of the implementation of the Company’s risk management systems; and
6. to ensure that the code of conduct and conflict of interest policy is in writing and arrangements are made for all management and employees to be aware of it and promote the compliance with the code of conduct and conflicts of interest policy.

The Audit Committee meets four (4) times annually, or more, whenever necessary. Meetings will normally be attended by the Group Chief Financial Officer, the Head of the Internal Audit Department and a representative of the external auditor (if required). Heads of operation units or other Board members may also be called upon to attend meetings.

In FY2018/19, the Audit Committee convened six (6) meetings and had expressed their opinion, which can be summarized as follows.

1. The review of quarterly and annual financial statements

The financial reports, disclosure of notes to financial statements, the accounting policy and significant provisions and compliance with financial reporting standards and regulatory requirements were reviewed by the Audit Committee and material matters were highlighted to the Management. The Audit Committee also held a meeting with external auditor in absence of the Management to discuss the auditors' independence and their comments, as well as the auditor's report and concerned issues of the audit and review of financial statements. After the review, the Audit Committee considered that the financial statements for FY2018/19 were prepared in accordance with the Thai Financial Reporting Standards (TFRS) and contained sufficient disclosure in the notes to financial statements, and thereby approved the financial statements which external auditor reviewed and audited without reservation.

2. The review of the effectiveness and adequacy of internal control system and internal audit

The Audit Committee conducted quarterly meeting with internal auditor and the Management to review and assess internal control system and performance of each subsidiary. The Audit Committee considered the report from internal auditor to ensure the appropriate and sufficient adequate internal control system. Upon reviewing, the Audit Committee has concluded that the Company's internal control system is at good level without any significant deficiencies.

3. The review of risk management

The Audit Committee identified that the Company has in place the risk management executives who assess the Company's risk factors and evaluate risk management measures to reduce impact to an acceptable level and report to the Audit Committee on quarterly basis. The Audit Committee also noted that the Company has the annual review of risk factors with consideration of the business nature and changes of business environment locally and globally and has appropriate and adequate risk management measures where impact is mitigated within acceptable level.

4. The appointment of external auditor

The Audit Committee noted that the appointment of external auditor is based on knowledge, experience, ability, adequacy of resources, as well as level of independence and quality of their services. The remuneration of auditor is considered based on the scope of duties and responsibilities. Based on the satisfactory results and their widely recognized audit standard and experience, the Audit Committee recommended the reappointment of the auditor from EY Office Limited as the Company's external auditor for the financial year ending 31 January 2020 for another term which was concurred by the Board for submission to the Annual General Meeting of shareholders for approval.

5. The review of the compliance with relevant laws and regulations

The Audit Committee presented that the Company's operations and reporting are in compliance with the SEC and SET requirements and regulations relating to the Company's business. The Company has conducted its business according to good governance practices, business ethics, the anti-corruption policy and other policies according to the guidance of the Board. There was no reporting of any misconduct in FY2018/19.

6. The review of related transactions and transactions of potential conflict of interest

The Audit Committee satisfied that these transactions arose in the ordinary course of business for the benefit of the Company and were reasonable, transparent, and had been properly disclosed in compliance with regulatory requirements and good corporate governance principles.

The Audit Committee has performed its duties prudently and independently and issued its opinion for the benefit of the Company without any restriction in obtaining information, resources, and with cooperation from the management. The Audit Committee also assessed its performance of duties and responsibilities in the past year as effective, efficient and achieves the objectives assigned by the Board.

On behalf of the Committee



Mr. Abdul Khudus Bin Mohd Naaim
Chairman of Audit Committee