FRC MAURITIUS
FINANCIAL REPORTING COUNCIL

Bulletin on Review of Annual Reports for the six months ended 31 December 2021

FINANCIAL REPORTING COUNCIL

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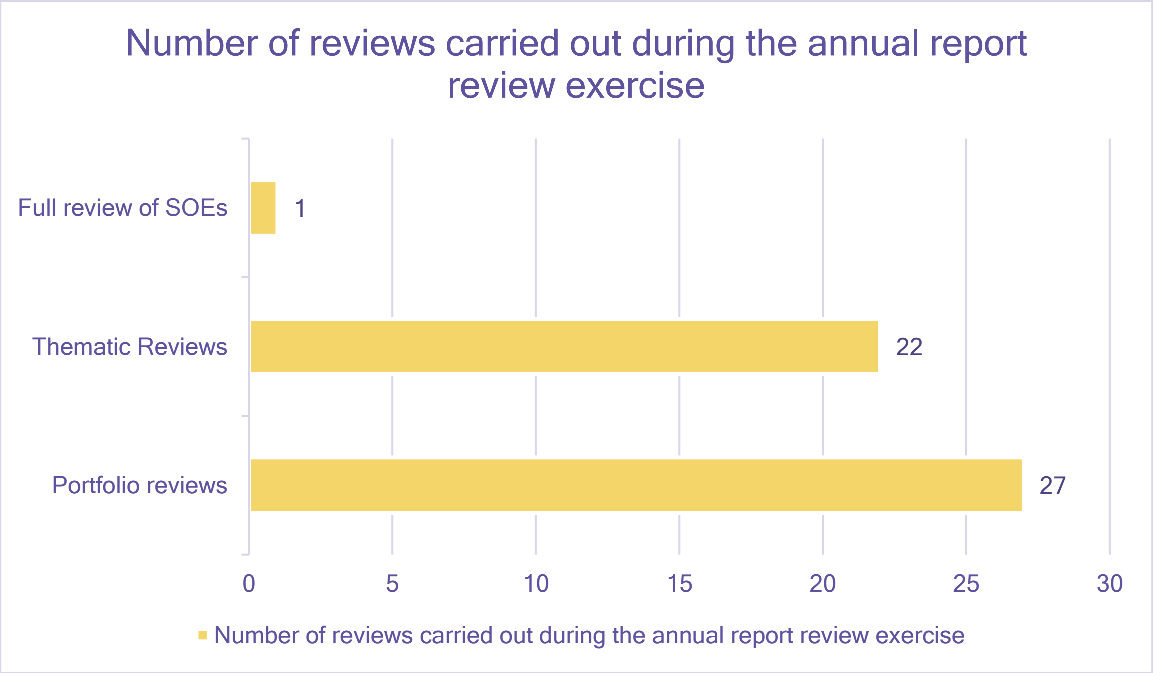
PART A – EXECUTIVE SUMMARY

Pursuant to section 76(1) of the Financial Reporting Act ("FRA"), the Financial Reporting Council ("FRC") reviews annual reports of Public Interest Entities ("PIEs") and State-Owned Enterprises ("SOEs") classified as PIEs as part of its ongoing monitoring activities.

It is of fundamental importance that PIEs provide high quality reporting to users of annual reports. To this effect, FRC reviews the annual reports of Public Interest Entities ("PIEs") to ensure that they comply with IFRS and the requirements of the Code of Corporate Governance ("Code") in light of the Covid-19 pandemic and its economic effects.

FRC has carried out 50 reviews of the annual reports of 27 PIEs [27 Portfolio Reviews, 22 Thematic Reviews and 1 Full Review] for the six months ended 31 December 2021, as shown in the diagram below.



This periodic bulletin on Review of Annual Reports therefore focuses on non-compliances observed with respect of IFRS and the Code during the course of FRC's reviews of annual reports of the PIEs. A separate bulletin on the thematic reviews would be published on FRC's website.

Key findings with regard to International Financial Reporting Standards

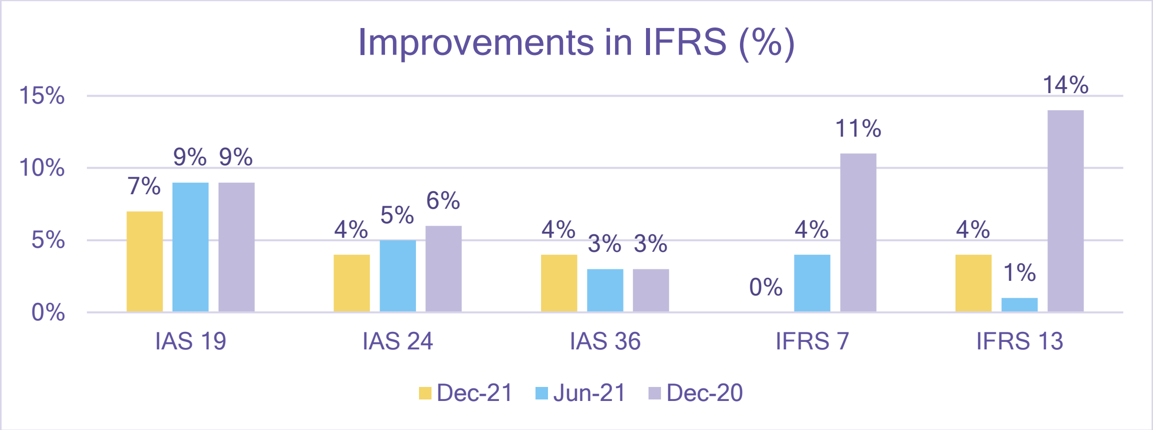
With respect to compliance with International Financial Reporting Standards, FRC noted that there is a good level of compliance with IFRSs among PIEs in general. From the annual report reviews, it was observed that the topics most often raised with PIEs included employee benefits, related parties, methods and inputs used in the fair value measurement of land and buildings and impairment of assets. Part D of this bulletin provides further details on each of the above topics.

Also, FRC noted that the level of reporting with respect to the following IFRSs remained stable, as compared to the periods June 2021 and December 2021:

- IAS 19, *Employee Benefits*;
- IAS 24, *Related Party Disclosures*; and
- IAS 36, *Impairment of Assets*.

While it was observed that there was an improvement in the level of corporate reporting with respect to IFRS 7 *Financial Instruments: Disclosures*, the findings relating to IFRS 13 *Fair Value Measurement* had slightly increased, as compared to the previous periods.

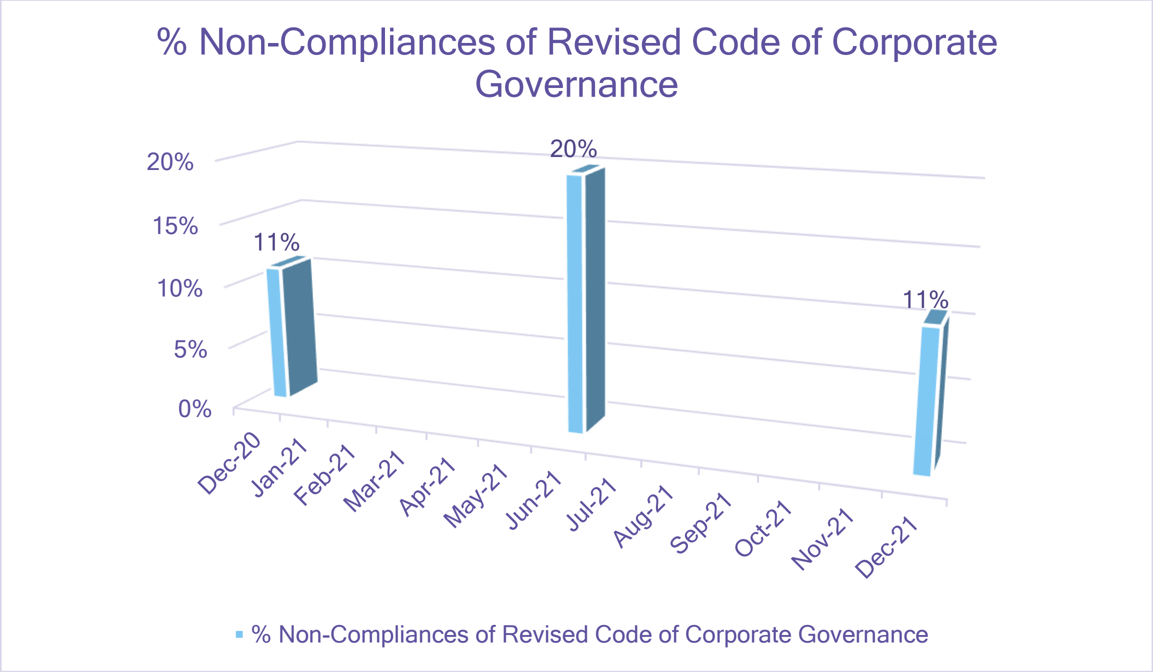
The diagram below illustrates the percentage of non-compliances with the above-mentioned IFRSs in June 2021 and December 2021:



Key findings of corporate governance

With respect to corporate governance, it was observed that all the 27 PIEs had adopted the Revised Code of Corporate Governance which is effective for their reporting periods starting on or after 1 July 2017.

Out of the 27 PIEs that had reported on corporate governance, 3 PIEs had partly complied with the Revised Code of Corporate Governance. This represents a non-compliance rate of 11% as compared to the previous periods (June 2021: 20%, December 2020: 11%).



The most frequently raised topics of non-compliances with the Revised Code, were with regards to:
(a) The Structure of the Board and its Committees; and
(b) Director Duties, Remuneration and Performance.

Part D of this bulletin analyses each of the above topics in further details.

For the period under review, FRC observed that there was a slight decrease in the percentage of non-compliances with the Revised Code as compared to the six months ended 30 June 2021.

FRC noted that most PIEs (89%) complied with the requirements of the Revised Code of Corporate Governance and show appreciation of good corporate governance practices.

PART B - INTRODUCTION

An annual report should provide material and relevant information about PIEs' financial results and position, and assist investors to assess its past performance and future prospects. As a general principle, disclosure in annual reports should be clear and straightforward, and provide qualitative analysis that complements and explains quantitative information in the financial statements. The coronavirus ("COVID-19") pandemic has led to disruption to the operations of many entities across different industries. PIEs need to consider the manner in which the COVID-19 pandemic has affected their business and how these effects should be reported in their financial statements and directors report. The extent of the risk arising from COVID-19 and its impact varies depending on the company's specific circumstances and exposure. The company's year-end date, and the information available from the evolving situation also affect the way the effect of the COVID-19 pandemic, is reported in the financial statements.

FRC reviewed the annual reports of PIEs for the years 2020 and 2021 during the six months ended 31 December 2021. The operations, financial position and performance of most PIEs in the leisure and hotels sectors with financial years 2021, were impacted by the pandemic. These PIEs had disclosed the implications arising from the Covid-19 pandemic in their annual reports. Also, some PIEs with financial years 2020 had taken into consideration the lockdown imposed by the government in March 2021 and had included same as a subsequent event. It is good to note that FRC's annual report exercise did not identify a decline in reporting quality, despite the challenges of reporting in the continuing Covid 19 pandemic.

In this respect, FRC has monitored the annual reports of Public Interest Entities ("PIEs") in light of the requirements of relevant accounting standards[1] and the National Code of Corporate Governance ("Code") and taking into consideration the impact of the COVID-19 pandemic to ensure quality reporting.

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[1] Section 75(1) of the FRA requires PIEs classified under Categories 1 to 4 of the First Schedule of the FRA to prepare their financial statements in accordance with IFRSs.

Section 75(1A) of the FRA states that entities specified in the first column of the Third Schedule of the FRA should prepare financial statements in compliance with the International Public Sector Accounting Standards (IPSAS) issued .by IFAC.

This bulletin contains the main findings arising from the FRC's annual report reviews for the six months ended 31 December 2021. It sets out FRC's view of the current state of corporate reporting for PIEs and provides details of shortcomings requiring improvement.

For the period ended 31 December 2021, FRC had carried out the reviews of 27 PIEs [27 Portfolio Reviews, 22 Thematic Reviews and 1 Full Review of 1 SOE]. The SOE adopted IPSAS and the other 26 PIEs prepared their financial statements in accordance with IFRSs, as required by the Financial Reporting Act.

"For the six months ended 31 December 2021 FRC reviewed the annual reports of 27 PIEs."

The table below shows the number and types of PIEs reviewed and their corresponding sectors:

	Sectors							
Types of reviews	**BIF**	**Commerce**	**Investments**	**Leisure & Hotels**	**Sugar**	**Property Development**	**Total number of PIEs**	**No of Annual Report Reviews**
Listed on SEM	1	1	3	4	2	1	**12**	**12**
Financial institutions regulated by BOM (excluding cash dealers)	8	-	-	-	-	-	**8**	**8**
Financial institutions regulated by FSC	6	-	-	-	-	-	**6**	**7**
SOEs as per the First Schedule of FRA	-	1	-	-	-	-	**1**	**1**
Total	**15**	**2**	**3**	**4**	**2**	**1**	**27***	**28***

* FRC reviewed the annual reports of 27 PIEs for the six months ended 31 December 2021. Out of the above 27 PIEs, 1 PIE had been reviewed for a period of 2 years and the remaining PIEs had been reviewed for a period of 1 year.

For the six months ended 31 December 2021, the following types of reviews have been carried out:

A. Portfolio reviews

Initially, FRC established a portfolio of PIEs whose annual reports were reviewed on a portfolio basis for a period of 3 to 5 years. Subsequently, the annual reports of the PIEs within these portfolios are being monitored on a yearly basis. In this regard, the particulars of the PIEs within the portfolio are updated taking into consideration new business activities, material transactions and new IFRSs and legal requirements.

Of note, the PIEs in the portfolio comprised of entities listed on the Stock Exchange of Mauritius and financial institutions regulated by the Bank of Mauritius and the Financial Services Commission, as defined under Categories 1, 2 and 3 of the First Schedule of the FRA.

This type of portfolio reviews would allow FRC to:

i) Understand the performance of the PIEs during the year and raise alarm bell where necessary;

ii) Be up to date with the PIEs instead of reviewing the annual reports only after 6 months after the closing date;

iii) Improve trend monitoring and sector analysis over the years;

iv) Assess the application of complex IFRSs; and

v) Assess the risk associated with the PIEs, in terms of going concern, valuation, revenue recognition and related parties.

As stated above, FRC reviewed the annual reports of 26 PIEs on a portfolio basis for the six months ended 31 December 2021. Out of the above 26 PIEs, 1 PIE had been reviewed for a period of 2 years and the remaining 25 PIEs had been reviewed on a portfolio basis for a period of 1 year.

The table below illustrates the categories of PIEs and their corresponding sectors for portfolio reviews:

Types of reviews	Sectors						
	BIF	Commerce	Investments	Leisure & Hotels	Sugar	Property Development	Total
Listed on SEM	1	1	3	4	2	1	**12**
Financial institutions regulated by BOM (excluding cash dealers)	8						**8**
Financial institutions regulated by FSC	6						**6**
Total	**15**	**1**	**3**	**4**	**2**	**1**	**26**

B. Thematic reviews on the impact of COVID 19 pandemic

In the year 2021, businesses have once again been severely impacted by the outbreak of the COVID-19 pandemic. Hence, FRC has decided to conduct the thematic reviews on the impact of COVID 19 of the same PIEs reviewed on a portfolio basis (see part A above).

For the six months ended 31 December 2021, FRC had conducted thematic reviews on 22 PIEs. The findings relating to the thematic reviews would be set out in a separate report which would be published on FRC's website.

C. Full review of PIEs

Apart from the portfolio and thematic reviews, FRC also selected the annual reports of State-Owned Enterprises (SOEs) listed in the First Schedule of the Financial Reporting Act 2004 for review purpose.

For the six months ended 31 December 2021, FRC conducted the annual report review of 1 SOE.

PART C: ANNUAL REPORT REVIEWS: TREND IN QUALITY REPORTING

FRC reviews PIEs' annual reports as part of its ongoing monitoring activities in order to promote the provision of high-quality reporting of financial and non-financial information. For the period under review, FRC reviewed the annual reports of 27 PIEs, as specified at Part A of this bulletin.

Of the 27 PIEs reviewed, 8 PIEs were informed of findings noted on areas relating to IFRSs and Corporate Governance. This represents 30% of the annual reports reviewed during the six months ended 31 December 2021 (31 December 2020: 31% and 30 June 2021: 42%) Compared to the previous periods, this represents a decrease in the rate of the letters of findings issued to PIEs. The decline in the number of substantive letters was attributable to a fall in non-compliances noted with respect to IPSASs, Code of Corporate Governance and new reporting requirements such as IFRS 16 'Leases' and amendments to Companies Act regarding individual remuneration of directors (Part A of this bulletin refers) which became effective in the previous period.

In light of FRC's comments, most PIEs provided explanations and gave undertakings to improve the quality of their future annual reports. FRC would ensure that the PIEs fulfill their undertakings by reviewing their subsequent annual reports.

For the six months ended 31 December 2021, FRC had reviewed 27 PIEs which included 26 PIEs preparing their financial statements in accordance with IFRSs and 1 SOE adopting IPSAS. As compared to the previous periods (31 December 2020 and 30 June 2021), it is observed that the common IFRS issues that arose throughout the periods 2020/2021 are in respect of employee benefits, related parties, fair value measurement and impairment of assets. Of note, the non-compliances observed throughout the periods were not with the same PIEs.

The table below depicts the following level of non-compliances with the most common IFRSs:

IFRS requirements	Level of non-compliances with IFRSs (%)		
	Six months ended 31 December 2021	Six months ended 30 June 2021	Six months ended 31 December 2020
Number of PIEs adopting IFRSs	27	78	35
IAS 19, *Employee Benefits*	7%	9%	9%
IAS 24, *Related Party Disclosures*	4%	5%	6%
IAS 36, *Impairment of Assets*	4%	3%	3%
IFRS 7, *Financial Instruments Disclosures*	0%	4%	11%
IFRS 13, *Fair Value Measurement*	4%	1%	14%

From the above table, it is noted that the percentage of IFRS non-compliances had remained fairly stable as compared to the previous periods except for IFRSs 7 and 13.

Also, it was observed that there had been a decrease in the level of non-compliances with respect to IFRS 7 and the findings with IFRS 13 had slightly increased, as compared to the previous periods. PIEs are therefore more compliant with relevant requirements of IFRSs in 2021.

On the Corporate Governance side, it is noted that there is generally a good level of compliance amongst the PIEs. All the 27 had reported on Corporate Governance, that is a reporting rate of 100% for the six months ended 31 December 2021 (June 2021: 100%, December 2020: 94%). This shows that there is an increasing number of PIEs adopting the Revised Code of Corporate Governance.

Also, it is observed that 3 out of the 27 PIEs (11%) had partly complied with the Revised Code of Corporate Governance (June 2021: 17 PIEs (20%), December 2020: 4 PIEs (11%)). As compared to the previous periods, this represents a slight increase in the level of non-compliances with the Revised Code of Corporate Governance.

PART D: MAIN FINDINGS FROM REVIEWS OF PIES

During the six months ended 31 December 2021, FRC raised findings relating to the following areas of corporate reporting amongst the 27 PIEs reviewed:

1.0 COMPLIANCES WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSS)

(a) IAS 19, Employee Benefits

FRC informed 2 PIEs [1 listed in BIF, and 1 regulated by FSC] of non-compliances in respect of the following requirements of IAS 19:

- Multi-employer plans which had been defined as being both defined contribution plans or defined benefits plans; and
- Disclosure of description of risks to which the entity was exposed through its defined benefit plan as required by IAS 19.

(b) IAS 24, Related Parties

From the review, FRC noted that 1 PIE regulated by FSC, had not disclosed the nature of its related party relationship with its related parties, as required by IAS 24.

(c) IFRS 13, Fair Value Measurement

From the annual report of 1 PIE regulated by FSC, FRC noted that this PIE had not disclosed a description of the valuation technique(s), the inputs used in the fair value measurement and a description of the valuation processes used by the entity, with respect to land and building.

(d) IAS 36, Impairment of Assets

With regard to IAS 36, FRC queried 1 listed PIE involved in Investments in respect of the following:

- The recoverable amount of the cash-generating units and whether the recoverable amount of the asset (cash-generating units) is its fair value less costs of disposal or its value in use; and
- The estimates used to measure recoverable amounts of cash-generating units containing goodwill.

2 PIEs [1 listed in BIF, and 1 regulated by FSC] had partly complied with IAS 19.

2.0 COMPLIANCES WITH THE NATIONAL CODE OF CORPORATE GOVERNANCE

As per section 75(2) of the FRA, PIEs are required to adopt corporate governance in accordance with the National Code of Corporate Governance.

The National Code of Corporate Governance ('Code') aims at establishing principles for good corporate governance leading to transparency, accountability and a long-term perspective.

The Old Code of Corporate Governance 2004 was applicable till 2017. The 'comply or explain' principle forms the basis of this Code.

In accordance with section 65(c) of the Financial Reporting Act 2004, The National Committee on Corporate Governance issued the Second Edition of the National Code of Corporate Governance (the 'Code') which had been published in the Government Gazette (General Notice No. 1804 of 2016) in 2016.

The Revised Code of Corporate Governance is applicable as from the reporting year ended on or after June 30, 2018. The main change brought about by the Revised Code is that it introduces a principles-based approach and requires application on an "apply and explain" basis.

This means when a PIE declares full compliance with the Code, it should apply all the Principles and comply with all the Provisions of the Code. If a Provision is not complied with, a full and detailed explanation must be given.
The following 8 corporate governance principles have been designed to be applicable to all organisations covered by the Revised Code:

- Principle 1: Governance Structure
- Principle 2: The Structure of the Board and its Committees
- Principle 3: Director Appointment Procedures
- Principle 4: Director Duties, Remuneration and Performance
- Principle 5: Risk Governance and Internal Control
- Principle 6: Reporting with Integrity
- Principle 7: Audit
- Principle 8: Relations with Shareholders and Other Key Stakeholders

With regard to the Code of Corporate Governance, FRC noted the following for the 27 PIEs reviewed:

The Revised Code of Corporate Governance is applicable as from the reporting year ended on or after June 30, 2018.

Revised Code of Code of Corporate Governance

All the 27 PIEs had financial years starting on or after 01 July 2017 which means that they had to mandatorily apply the Revised Code of Corporate Governance. It was good to note that all the 27 PIEs had reported on the Revised Code.

For the 27 PIEs that had reported under the Revised Code, the following were noted:

- 12 PIEs had fully applied the 8 principles of the Revised Code of Corporate Governance;
- 12 PIEs had provided explanations for not complying with some sections of the Revised Code of Corporate Governance (Please see Paragraph A below); and
- 3 PIEs had partly applied the Revised Code of Corporate Governance (see Paragraph B below).

With respect to the level of compliance with the Revised Code, the following were observed:

A. Details of explanations provided by the PIEs that have not applied the Revised Code

For those 12 PIEs that have provided explanations for not applying the Revised Code, the following were noted:

- *Principle 1: Governance Structure (3 PIEs)*

The main observations were in respect of the following:

- No disclosures of job descriptions and position statements.
- No adoption of a Board Charter.
- No disclosure of other directorship in companies listed on SEM for Board members.
- No publication of material information on the company and its governance framework in the Company's website.

The explanations provided with respect to the above non-compliances were as follows:

- It was an internal matter as every person holding a senior governance position within the Company had a written contract stating his/her job description/ position.

12 PIEs had fully applied the 8 principles of the Revised Code of Corporate Governance.

- The Board Charter was being drafted and same would be adopted by the PIE.
- Details of other directorships are available at the Company's registry.
- The Company was in the process of updating its website to contain such disclosure requirements, as recommended by the Code.

Principle 2: The Structure of the Board and its Committees (6 PIEs)

The main findings noted were with respect to:

- The Board of Directors did not have adequate number of executive directors.
- The Chairman of the Audit & Risk Committee was not an Independent Director.
- There was no gender diversity.
- There were no separate corporate governance and remuneration committees.
- The Board of Directors did not have adequate number of independent directors.

The explanations provided with respect to the above non-compliances were as follows:

- The Company had no Executive Director. Due to the COVID-19 pandemic and the resulting lockdown in Mauritius, the Board decided that the Executive Committee, consisting of the Chairman, the Vice-Chairman and the Chief Operating Officer, was most appropriate to oversee the group in the interim period.
- There was only one executive director on the Board. The entity was of the view that:
  - The executive director was supported by a robust executive management team; and
  - High caliber Executives were being recruited.
- The Chairman of the Audit & Risk Committee was no longer an Independent Director since he had served on the Board for more than nine consecutive years from the date of his initial election. However, the Board believed that he had the requisite skills and experience to chair the Audit & Risk Committee and that he continued to amply demonstrate independence of thought and action in this role.

12 PIEs have provided explanations for not applying the following Principles of the Revised Code of Corporate Governance:

- Principle 1: Governance Structure
- Principle 2: The Structure of the Board and its Committees
- Principle 3: Director Appointment Procedures
- Principle 4: Director Duties, Remuneration and Performance

- The Board was in the process of appointing a new Chairman of the Audit & Risk Committee for the forthcoming year.

- The Board was working on the recruitment of female directors.

- All corporate governance matters were taken up at Board level.

- The entity had been dispensed from constituting a separate Remuneration Committee by its regulator.

- The Board was of the opinion that the appointment of non-executive directors from other Group entities was sufficient to ensure independence.

- *Principle 3: Director Appointment Procedures (2 PIEs)*

The main observations were that the entities did not develop Succession Plans.

The explanations provided with respect to the above non-compliances were as follows:

- The entity did not have a documented procedure with respect to the succession plan and same would be considered by the Group Corporate Governance Committee.

- As directors and officers were pre-identified at group level, the company did not consider it necessary to have a formal succession planning process.

- *Principle 4: Director Duties, Remuneration and Performance (10 PIEs)*

The main issues noted were:

- Board or director performance evaluation was not conducted.

- Details of remuneration paid to each individual director were not disclosed.

The explanations provided with respect to the above non-compliances were as follows:

- No Board evaluation was carried out as the Board was of the view that its composition was adequately balanced and that the current directors had the range of skills, expertise and experience to carry out their duties properly.

- The Board considered that an appraisal exercise was not necessary as the directors were identified at group level as and when the need for replacement arose.

In some cases, the entities have provided explanations for not having adequate number of executive and independent directors on their Boards.

- Remuneration on an individual basis had not been disclosed for reasons of commercial sensitivity of the information.

B. <u>Details of non-compliances for PIEs who had partly complied with the Revised Code of Corporate Governance</u>

For the 3 PIEs which had partly complied with the Code, the following findings were noted:

- The Board does not have any independent director.
- Some independent directors did not appear to be independent as:
  - They had served on the Board for more than nine years from the date of his first election.
  - They had cross directorships within the Group of companies.
- The corporate governance section of the annual report of 1 PIE did not include details on Board evaluation such as date of Board evaluation and information on the Board evaluator and the evaluation methods.

3 PIEs had partly applied the Revised Code of Corporate Governance.

3.0 COMPLIANCE WITH THE GUIDELINES ON COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE.

In 2013, FRC had issued Guidelines on Compliance with the Code of Corporate Governance pursuant to Sections 6(2)(f) and 75 of the Financial Reporting Act. These Guidelines set out the essential principles of Corporate Governance and facilitate the compliance and facilitate the compliance and monitoring tasks of FRC.

The above Guidelines on corporate governance require the PIEs to interalia:

(a) Submit a statement of compliance together with the Corporate Governance Report and the Annual Report;

(b) State the extent of compliance with the requirements of the Code of Corporate Governance; and

(c) Give explanations in the Statement of Compliance whenever they had not complied with any requirement of the Code.

For the six months ended 31 December 2021, FRC observed that 1 listed PIE in Leisure & Hotels had partly complied with the Guidelines on corporate governance.

In this regard, the following were observed in the annual report of the PIE:

- During the previous annual report review, this entity provided explanations for not having a dedicated website. FRC noted that the explanations formerly provided by the entity had not been included in the Corporate Governance Report and the Statement of Compliance for the period under review.
- The PIE had provided explanations in the corporate governance report for not complying with the requirements of the Code of Corporate Governance regarding Board composition and Code of ethics. However, same had not been included in the statement of compliance.

For the six months ended 31 December 2021, FRC observed that 1 listed PIE in Leisure & Hotels had partly complied with the Guidelines on corporate governance.

5.0 REPORTING BY AUDITORS IN COMPLIANCE WITH SECTION 39(3) OF THE FRA

Section 39(3) of the FRA requires an auditor to report whether the disclosures made in the corporate governance report are consistent with the Code. Also, FRC had published Guidelines on corporate governance for auditors to assist in the reporting of auditors on corporate governance and help compliance with the Code as detailed below:

- In 2013, FRC issued the Financial Reporting Council (Reporting on Compliance with the Code of Corporate Governance) Guidelines 2013 which provides for the format of the auditors' reports as per the requirements of the Old Code of Corporate governance.

- In 2019, the above Guideline was repealed and was replaced by the Financial Reporting Council (Reporting on Compliance with the Code of Corporate Governance) Guidelines 2019 - Government Gazette No. 17 of 23 February 2019, General Notice No. 35 which updates the form and content of auditors' reporting on corporate governance, in line with the principles of the Revised Code of Corporate Governance.

It was good to note that the auditors of the 27 PIEs reviewed had reported on the consistency of the requirements of the Code.

The auditors of the 27 PIEs reviewed had reported on the consistency of the requirements of the Code.

6.0 DETAILS OF NON-COMPLIANCES PER CATEGORIES OF AUDITORS

A PIE is required to have its annual reports audited by a licensed auditor as per Section 195 of the Companies Act 2001 and Section 33 of the Financial Reporting Act. It is the auditor's responsibility to form an opinion on the PIE's financial statements and issue an auditor's report as a result of an audit of the financial statements.

For the period ended 31 December 2021, FRC observed that out of the 8 PIEs which had been issued letters following the review exercise, 5 had not fully complied with the requirements of International Financial Reporting Standards. These 5 PIEs had been audited by 4 audit firms.

FRC noted the following from the 5 PIEs with IFRS findings:

- **4 entities representing 80% of the above 5 PIEs are audited by Big 4 Audit Firms (namely BDO, Deloitte and PWC); and**
- **The remaining PIE (20%) is audited by one partner audit firm.**

The table below provides further details of PIEs with IFRS non-compliances per categories of audit firm.

4 entities representing 80% of the above 5 PIEs are audited by Big 4 Audit Firms (namely BDO, Deloitte and PWC).

PIEs with non-compliances with IFRSs per categories of audit firm

Categories of Audit Firm	Number of PIEs not complying with IASs / IFRSs
Big 4 Audit Firm	4*
1 partner audit firm	1

*Out of the 4 Big 4 Audit Firms, 1 audit firm audited 2 PIEs. There were no common findings identified from the annual reports of these 2 PIEs, audited by this Big 4 Audit Firm.

PART E: FOLLOW UP ISSUES

During the reviews carried out for the six months ended 31 December 2021, FRC considered the issues noted from the PIES' annual reports reviews that would require follow up in the PIEs' next annual reports.

In this regard, FRC will carry out close monitoring and follow up regarding 2 PIEs [1 listed in Leisure & Hotel and 1 PIE regulated by BOM].

The areas that would require follow-up are as follows:

- The impact of the COVID 19 pandemic on the financial position and performance of the entity; and
- Disclosure of the ongoing impacts of COVID-19 on the entity's next financial statements.

FRC will carry out close monitoring and follow up regarding 2 PIEs [1 listed in Leisure & Hotel and 1 PIE regulated by BOM].