

Transparency Report 2022

Grant Thornton Malaysia

30 April 2023



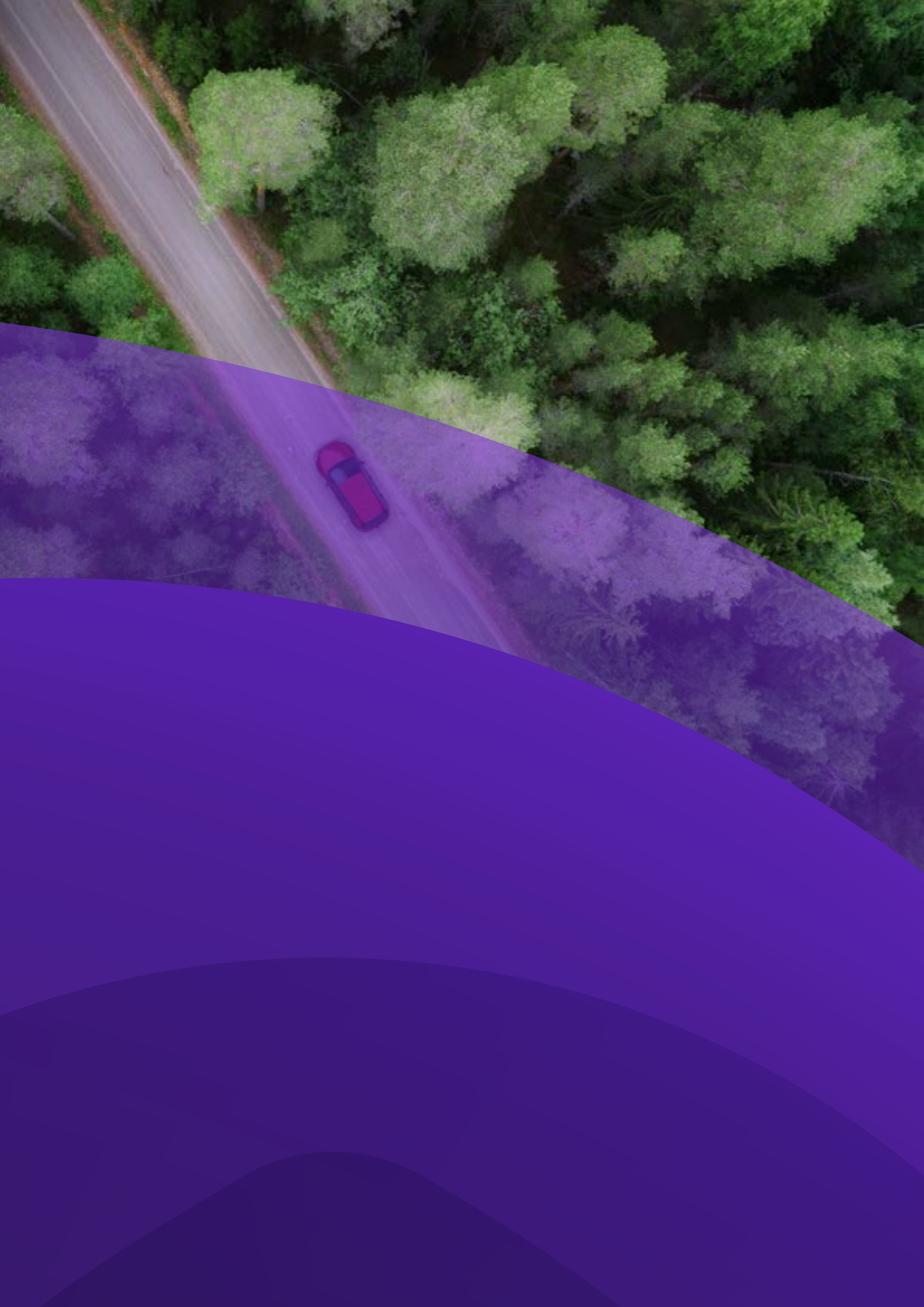
About this report

Grant Thornton Malaysia PLT (201906003682 & AF 0737) (GTM) is a limited liability partnership formed in Malaysia and is a member firm of Grant Thornton International Limited (GTIL), a private company limited by guarantee, incorporated in England and Wales.

In this report, the terms “Firm”, “we”, “us” and “our” refer to GTM. This report relates to GTM’s System of Quality Management for the financial year from 1 January 2022 to 31 December 2022, unless stated otherwise.

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“Going beyond to set the standards for quality, expertise and innovation.”



Kishan Jasani
Country CEO

Our Commitment to Excellence

This is another year that our Firm continues to demonstrate that we have navigated the ever-changing economic landscape, technology disruption and the effect of Global COVID-19 pandemic through resilience and agility. Despite these challenges, we remain resolute on our priority on growing the Firm, maintaining our quality, be transparent and accountability to our stakeholder whilst supporting our people through equipping them with the right skillsets and providing appropriate training including training on professional skepticism. Not to mention, the well-being of our people are well-taken care off especially during this time where our people continue to adapt to the new norm.

In this Transparency Report 2022, we share insights of the changes in our governance and the overall developments of the Firm throughout the year.

Quality

As a well-established professional accountancy firm in Malaysia, we are committed to provide high-quality services. We recognise that continuous improvement in quality is vital in building trust of our stakeholders. Our culture of quality begins with a strong tone from the top. Our leadership continues to demonstrate a commitment to quality through a culture that exists throughout the Firm which focus on providing a consistent quality to all engagements, adhering to the professional ethics, our Firm's CLEARR values – Collaboration, Leadership, Excellence, Agility, Respect and Responsibility and having the right attitudes. We ensure our people understand the importance of the value of quality to meeting all the applicable professional standards. Our focus on quality is evident through the reduced findings from the recent external regulatory review.

During the year, we have introduced Quality Management Manual to accommodate the new International Standard on Quality Management (ISQM1) which is effective since 15 December 2022. We believe our new system of quality management will help drive higher quality.

People

Our people are our backbone. We believe that an engaged and collaborative workforce is the key success to deliver exception quality that can create confidence in capital markets and businesses. We were incredibly proud on how our people responded to the pandemic for the past year. However, retaining and recruiting new talent has not been easy as the post-pandemic reopening unfolds coupled with the rising of standard of living. Undeniably, our Firm has been going through intense competition to retain our skilled people as they are highly sought after within the same industry, commercial and neighboring countries.

Realising this, we strongly believe in the need to have an inclusive and diverse group of people within our Firm. We have a clear strategy focusing on this aim with specific targets set across various aspects of diversity: gender, ethnicity, social economic background, sexual orientation and disability. To help accomplish this, our talent and culture team initiated some changes in our workforce:

- We provide comprehensive structured training across all levels to ensure our people get to advance further in their career. We also had our very first physical off-site training at the end of the year for our people to build a closer relationship and get together since the pandemic started in year 2020.
- We engaged with our international office to invite an international global training provider to provide training of accounting standard to our auditors.
- We granted our people an extra day of leave in 2022 in celebration of their birthdays.
- We introduced “Your Place Your Time”, a Flexi-Working Arrangement of working on-site or off-site.

We strive to improve the working environment for our people by providing more support and resources and create a more engaging and open culture. We encourage regular communication with our people to help them understand their roles and their needs in completing their task. We also encourage them to speak up not only on work related issues but any issues related to their personal well-being to close the communication gap between our talent and management.

Digital

We continue our digital transformation journey in our audit practice through focusing on innovation and digitalisation to support our audit process as we believe by investing in the right technology, it helps our people to work more efficiently and effectively to achieve higher audit quality. Our ongoing work with third-party providers continues to allow our teams access to a range of tools that promote for a higher quality audit as well as improving our analysis and documentation.

Besides, a new GTIL audit software LEAP (Leading Effective Audit Practice), a cloud-based tool is expected to be implemented globally by end of December 2024. LEAP is a real-time engagement and monitoring tool with the ability for all the GTIL member firms to consistently execute our audit methodology on a global level at the same time deliver our client commitment to continuously enhance the quality of our audits.

Since 2021, GTM has been working on the various planning and preparation on the adoption LEAP. We have entered the activation stage on 1 April 2023 where we started to initiate the platform for configurations and testings. Next, we will initiate communications to relevant parties and start to deliver tool learning before rolling-out the tool to auditors. We are pleased with the developments that we have made during 2022 and the progress we are already making during 2023 towards aligning and delivering our strategy.

The future

Grant Thornton Malaysia will continue to embrace innovation, adapt to the constant changing business environment, and invest in our people, processes, and technology to stay ahead of the curve in the future.



Kishan Jasani

Country CEO
Grant Thornton Malaysia

“We will continue to enhance the sustainability of our Firm while staying committed and transparent to our stakeholders.”



Hooi Kok Mun
National Audit Practice Leader
Senior Partner

2022 has been another great year for the audit practice despite it being another challenging year as we are still recovering from the COVID-19 pandemic. We are delighted that we have assisted 6 Initial Public Offering companies to be listed in Bursa Malaysia during the year. Refer to Appendix I for the list of Public Interest Entities (PIE) clients as at 31 December 2022. To top it off, we have an improved result from the external regulator reviews.

This year, we continue to focus on delivering high quality audit and attract and retain our talent.

Culture

We believe that quality audit will be delivered by promoting the right culture. Our Firm has continued to create an engaging and an open and non-judgmental working environment where our people is not afraid to speak up. Besides, our people are encouraged to ask others in their team for help if they need it for example getting advice on some difficult issues during auditing. Having the right culture and people drives our success, hence we continue to invest in our people through various training to ensure they are well-equipped with the latest auditing and accounting knowledge to stay competent and in turn serve our clients better. One of them is the application of professional skepticism and challenge in the audit process. This is an important area especially when we are in the digital era.

People

It has been a challenging year to retain our people especially after the reopening of borders. We have implemented various policies and practices to ensure that our people feel supported throughout this challenging time, for example enabling flexible working arrangement. As a token of appreciation, we also started distributing dinner/ refreshments for our people who are completing client commitments. We have also organised physical annual training, team buildings and annual dinner to create togetherness for our people.

For the training provided this year, our Quality Management Team focuses on delivering the newly adopted LEAP Methodology training for our people to familiarize themselves with the new methodology together with coaching on delivering a quality audit work paper.

Quality

It is crucial that both management and those charged with governance understand the audit process and the importance of upholding the audit quality. Our partners and managers spend time in discussing the audit process with the current and potential clients so that they understand the audit quality our firm is committed to. This includes the responsibilities of the management over preparation of financial reports, high-quality client deliverables, and a clear communication on deadlines.

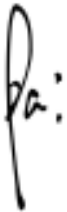
While our firm continues to grow, we emphasise on client quality. Our Audit Quality Committee (“AQC”) takes reasonable steps to ascertain that the organisation we work with appreciate quality audit. By understanding the structure, expertise, experience and the background of board of directors and management during acceptance process, we determine if the organisation are able to deliver high quality audit evidence. Where necessary and after appropriate consideration, AQC disengages with the organisation that poses a risk on quality. We have delayed the signing or issued necessary qualifications in our audit reports should there be insufficient information to form an opinion.

During the year, we have rejected / ended our relationship with clients that do not adhere to our commitment to audit quality. Our AQC plays a significant role in this process. Besides, all the PIE engagements are required to get approval from the AQC should there be modification to the opinion.

Digital

During the year, we adopted the new LEAP Methodology developed by our GTIL network. In preparation of this, all our people are required to complete the trainings of International Standards of Auditing (ISA) provided in GT Learn Connect and a simulation training is provided to ensure a smooth transition from the previous methodology.

I am pleased with the developments the Firm has made in the year of 2022. We will continue to enhance the sustainability of our Firm while staying committed and transparent to our stakeholders.



Hooi Kok Mun

National Audit Practice Leader
Senior Partner
Grant Thornton Malaysia



Legal Structure and the Grant Thornton Network

Grant Thornton International Limited (GTIL)

GTIL is a private company limited by guarantee, incorporated in England and Wales. It is a non-practicing international umbrella entity that does not provide services to clients. Grant Thornton member firms around the world deliver services to clients. GTIL is amongst the Global 6 that forms the Global Public Policy Committee (GPPC).

Legal relationship between GTIL and other member firms

Grant Thornton is the registered trademark of GTIL and is the name by which the member firms are known. The right of member firms to use the Grant Thornton name and logo are included in agreement with GTIL.

GTIL and the member firms are not a worldwide partnership. Member firms are generally locally owned and managed. GTIL and its member firms are not the agents of, and do not obligate one another and are not liable for one another's acts and omissions. Member firms carry the Grant Thornton name, either exclusively or as part of their national practice names.

Board of Governors of GTIL

The Board of Governors (the Board) is the principal and overriding authority in GTIL. The Board exercises governance over GTIL and comprises the chair of the Board; the Chief Executive Officer of GTIL (CEO); Managing Partners from the largest Grant Thornton member firms; Managing Partners elected or appointed from other Grant Thornton member firms that are not amongst the largest; and independent board members.

Independent board members bring a valuable external business perspective to the deliberations of the Board, add to the network's profile and increase Board transparency. Independent board members support the network's recognition of its public interest responsibilities and its attitude toward quality, risk management and governance, as well as the network's effectiveness in executing its strategic goals and market positioning. GTIL has processes in place to ensure that the appointment of independent board members and their ongoing services are compliant with relevant independence rules.

There are seven standing committees with authority and powers for certain matters as delegated to them by the Board. The use of standing committees allows a more efficient and effective discharge of the Board's responsibilities and involves others in the activities of the Board. Committee membership includes, but is not limited to, Board members.

Board of Governors structure

Governance committee

Ensures efficient and effective operation and oversight of GTIL's leadership structures and performance.

Strategy committee

Advises on the development, alignment and execution of the global strategy.

Enterprise risk management committee

Has oversight responsibility for ensuring an appropriate enterprise risk management framework is maintained for GTIL and its member firms.

Budget and Audit committee

Oversees the GTIL budget and audit processes to ensure the successful execution of the global strategy and adherence to the fiduciary responsibilities of GTIL.

Technology and innovation committee

Governs and oversees Grant Thornton's global technology and innovation strategy and ensures that global technology and innovation projects are aligned with Grant Thornton's commercial objectives.

CEO compensation committee

Executes the Board's responsibilities relating to the annual performance evaluation and related compensation of the CEO, the adoption of policies that govern the CEO's compensation and performance, and the oversight of plans for CEO development.

Member firm matters committee

Considers and determines resolution of recommendations made by the global leadership team relating to member firm matters including member firm terminations, complaint handling and proposed changes to the rules and agreements that materially affect member firms.

CEO

The CEO is appointed for an initial five-year term with a potential extension of up to three years. Peter Bodin was appointed CEO from 1 January 2018, as CEO he is responsible for the:

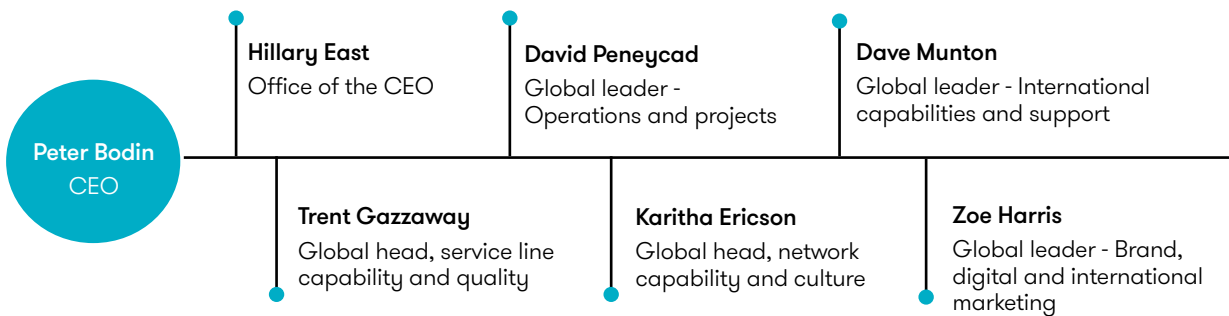
- leadership of GTIL
- development and recommendation of strategy priorities for the board to ratify
- appointment of the global leadership whom he works closely with to implement the strategy including monitoring global policies and procedures

Global Leadership Team (GLT)

The GLT is a full-time management group that is chaired by the CEO and develops and drives the implementation of the global strategy. The team have global development, service lines, functional and regional responsibilities.

A critical role of the GLT is to work with member firms to implement the global strategy. The ambition is to be known throughout the world as the leading adviser to dynamic organisations through our Growing Together strategy.

As at 31 December 2022 the GTIL network had more than 68,000 people in over 140 member firms across the globe with the latest reported revenue of USD7.2bn (2021: USD6.6bn).



Grant Thornton Malaysia (GTM)

GTM is a member firm of GTIL. GTM is a partnership governed by the Malaysia's Partnership Act of 1961 since its establishment in 1974. The structure was changed to a limited liability partnership established under the Limited Liability Partnerships Act 2012 of Malaysia on 1 January 2020 onwards. GTM's headquarter is located in Kuala Lumpur while its three branches are located in Penang, Johor Bahru and Kuantan.

The Kuala Lumpur Office and Kuantan Office are wholly owned by the equity partners, all of whom are the employees of the Kuala Lumpur Office. As at 31 December 2022, there is only one partner who owns substantial shares within the range of equity share held between 31% to 40%. The remaining equity partners do not own equity shares of more than 10%. There is no family relationship among the partners, except for Dato' NK Jasani and Mr. Kishan Jasani who are father and son.

GTM Penang Office is owned by two equity partners of Penang office and is overseen by Mr. Terence Lau who is the CEO of the Penang office. Both the equity partners are father and son and both their shareholdings range are in between 45% to 55%.

GTM Johor Bahru Office is jointly owned and managed by GTM Kuala Lumpur Office and Mr. Wong Wen Tak. There is only one partner who owns substantial shares within the range of equity share held between 51% to 60%.

Entities in which GTM has beneficial interests are summarised as below:

Entities	City and Country of operation	Services
Grant Thornton Taxation Sdn Bhd	Kuala Lumpur and Kuantan, Malaysia	Taxation
Grant Thornton Tax Consultants Sdn Bhd	Penang, Malaysia	Taxation
Grant Thornton MSW Tax Sdn Bhd	Johor Bahru, Malaysia	Taxation
Grant Thornton Consulting Sdn Bhd	Kuala Lumpur, Malaysia	Advisory
Grant Thornton Recovery & Restructuring	Kuala Lumpur, Malaysia	Advisory
Grant Thornton Cambodia	Phnom Penh, Cambodia	Audit, Taxation and Advisory



Governance and Leadership

We fully apply the principles of corporate governance in compliance with high professional standards set by GTIL.

Governance

Within the year under examination 1 January 2022 to 31 December 2022, GTM continued its course, fully applying the principles of corporate governance in compliance with high professional standards set by GTIL as below to ensure:

- profitable business without sacrificing quality
- transparency of business operation
- control over management, particularly control over managerial decision making
- observance of the legislation and in particular, of the obligations foreseen by the legislation as far as professional accountancy firms are concerned

The principles of corporate governance arranges the organisation structure of the Firm based on the below:

- the structure of departments of the Firm, their scope and operation procedures, authorities, duties of the employees as well as the relations between the departments and the leadership
- procedures of recruiting the executives as well as the remaining employees of the Firm
- ranks of the employees and procedures regulating promotion of the leadership teams of the Firm
- compliance with the Member firm Obligations as required by the GTIL

Refer to the next page for our GTM Organisation Structure.

Complaints and claims

We take all feedback, complaints and allegations seriously. If a client is not satisfied with any aspect of our work, they can discuss this with the engagement leader, head of the relevant service line, or our Country CEO. We have internal processes to address both formal and informal matters and complaints. Our confidential whistle-blowing phone-line is available to all, including employees, clients and the public. Our Head of Risk, Quality Management Leader, Ethics and Independence Leader and Quality Monitoring Leader have direct access to the Country CEO whenever required and report matters regularly to the ExCo in respect of ongoing and potential complaints, claims and regulatory action.

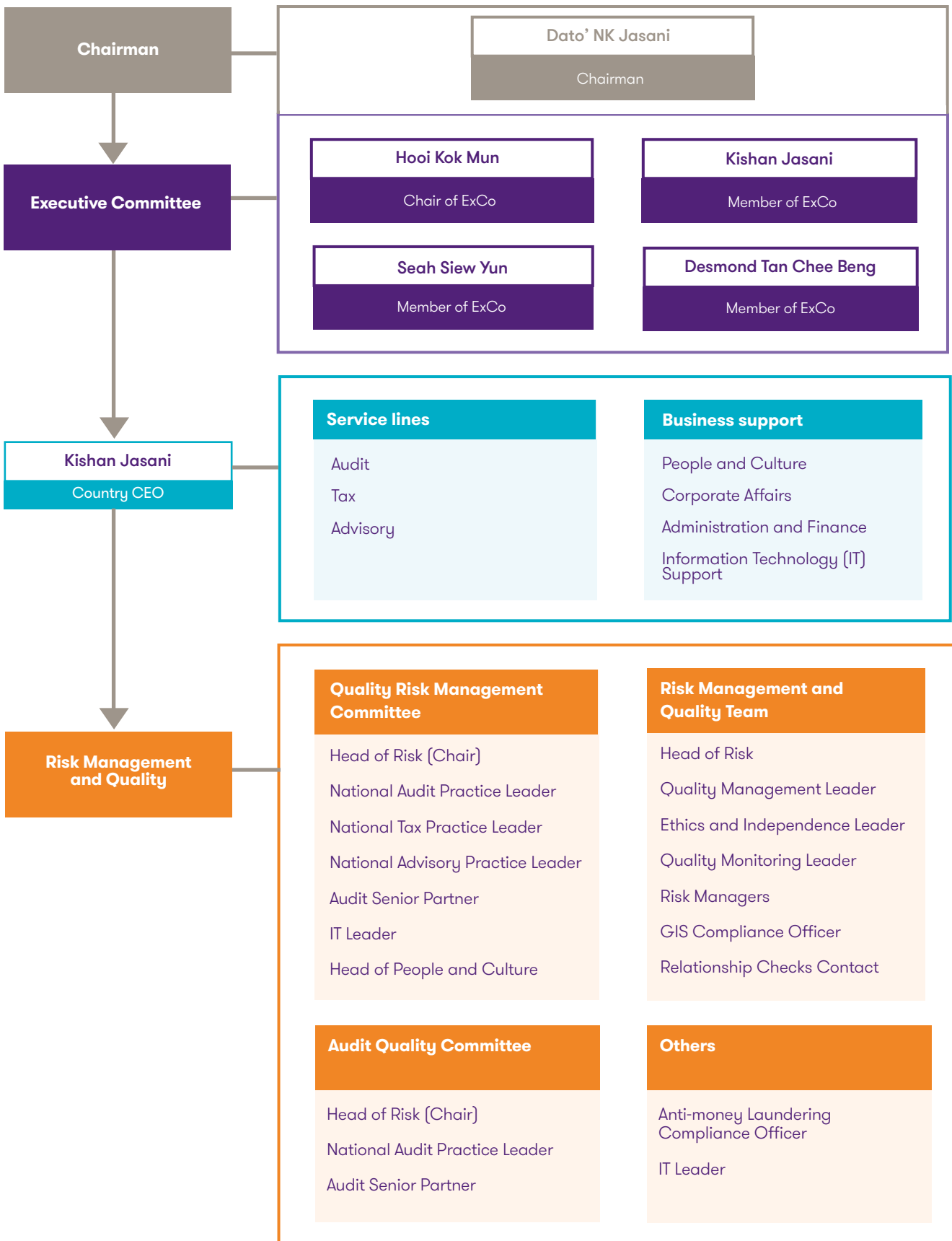
External dialogue

Our leaders are actively engaged with chartered accountant associations, regulators, standard setters to help shape and influence the drive for better reporting and regulatory change where it is necessary. Several of our partners and people participate in various boards, committees or working groups across a diverse range of bodies and subject relating to our profession and the wider market. They provide comments and feedback on our views of planned developments and issues. Refer to Appendix II for our involvements in professional bodies.

We hold meetings with our regulators as and when needed. Our Transparency Report is sent to the Audit Committee Members of Public-Interest Entities we serve as independent auditors.



GTM Organisation Structure



The basic responsibilities and objectives of each unit are disclosed as below. These may be readjusted depending on the needs of the Firm at the time. Any readjustment of responsibilities and objectives requires the approval of the Country CEO and the Executive Committee of the Firm.

Chairman

Dato' N.K. Jasani is appointed as the Chairman of GTM during 2022. The roles and responsibilities of the Chairman include:

- provides strategic advises to the Executive Committee (ExCo) and the Country CEO on maintaining and improving the Firm's quality and sustainability
- oversees and challenges the key decisions of the ExCo and the Country CEO
- receives regular updates on the key developments within the Firm, including operational, legal, financial, structural and quality matters
- helps the Firm secure its reputation more broadly
- oversees the process adopted by the Firm to reduce the risk of firm failure

ExCo

GTM is governed by the ExCo, comprising of the Country CEO and three Senior Partners. The role of the ExCo is to oversee the stewardship, accountability and leadership of the Firm and to provide clear sighted counsel on our strategic direction and alignment to our commitment of excellence. The focus of the ExCo

- to ensure that we have an appropriate strategy that is consistent with the public interest and overseeing the development and delivery of this strategy with the Country CEO and his senior leadership team
- to oversee good financial and cultural governance (including setting the tone from the top on culture and ethics) in the Firm
- to ensure that we have the best possible executive leadership
- to establish and determine remuneration framework

Country CEO

The Country CEO is responsible for:

- the leadership of GTM
- the development and recommendation of strategy priorities for the ExCo to ratify.
- the appointment of the senior leadership team whom he works closely with to implement the strategy including design, implementation and monitoring of the Firm strategy, policies and procedures.

With the assistance of the senior leadership team of GTM, the Country CEO:

- ensures that Grant Thornton's CLEAR values are inculcated in the Firm's operations
- commit to quality enhancement
- develops and implements business plans
- monitors operation and financial performance
- prioritise and allocate resources
- manages the risk profile of the Firm, including protecting the goodwill and reputation of the Firm
- ensure that we comply with all relevant regulatory and legal requirements
- drives a profitable and sustainable Firm

Quality Risk Management Committee ('QRMC')

The QRMC is established in 2021 in conjunction to the preparation for the adoption and implementation of International Standard of Quality Management 1 (ISQM 1). The QRMC is responsible for:

- performing and monitoring the Firm's risk assessment process, including determination of quality objectives and subsequent updating
- risk identification and prioritisation
- development of appropriate responses to address the assessed risks
- creating a risk/response matrix
- updating the risk/response for identified deficiencies requiring that such action plans are timely completed

Audit Quality Committee (AQC)

The AQC (formerly known as Risk Management Committee) was established during 2019, provides independent oversight on all matters of audit quality with the objective of making the production of high-quality audit work sustainable. The Committee has a number of key functions including:

- ensuring the Firm's leadership maintains and appropriate "tone at the top" in respect of audit quality and that we have an appropriate strategy for ensuring audit quality
- ensuring adequate investment and resources to deliver quality and the audit strategy
- ensuring audit partner performance is primarily assessed based on quality and that partner remuneration and bonus systems are aligned with quality and the necessary positive leadership messages. This includes ensuring those who are responsible for the highest profile and highest risk engagements are compensated at levels that recognise this contribution
- that the audit practice has access to appropriate specialists
- ensuring we maintain appropriate independence monitoring and that we anticipate and react to market and regulatory developments appropriately
- assisted by the proposing engagement partner, shall assess the risks on the acceptance of new clients and continuance of existing client, and conclude on whether any potential clients or existing clients that meet the definition of a locally prohibited client shall be rejected or discontinued
- serve as an additional layer of technical consultation to the engagement team particularly for the compliance to the international and local professional standards, laws and regulations. For example, differences of opinion within the engagement team and the Engagement Quality Reviewer (EQR), modification of audit opinion is proposed by the audit engagement team of public listed entities, withdrawal of an audit opinion, and the restatement of previously issued annual financial statements

Head of Risk

The Head of Risk is responsible for:

- the development and operation of the system of quality management
- monitoring the implementation of the requirements of the QMM and the Firm's respective service-line manuals, designing actions to remedy identified deficiencies in conjunction with relevant business unit leaders
- reviewing root cause analysis and remedial action plans following non-compliance identified
- reporting to the QRMC on identified money laundering
- promoting the fundamental principles of professional ethics contained in the International Ethics Standards Board for Accountants (IESBA) and the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (MIA By-Laws)
- consultations regarding the withdrawal of an audit opinion, and the restatement of previously issued annual financial statements
- resolution of differences of opinion if resolution cannot be obtained within the engagement team and the EQR

Quality Management Leader

Quality Management Leader assists the Head of Risk. The Quality Management Leader's responsibilities include:

- developing policies and procedures related to quality management in the Firm and country specific statutory and legal requirements
- communicating these policies and procedures to the Firm's personnel
- designing of training plan and providing sufficient and appropriate quality management training to the Firm's personnel
- formulating recommendations for remedial actions for non-compliance in their service line areas
- providing guidance and consultation on accounting, auditing, methodology and tools, and quality management matters including suspected non-compliance with laws and regulations and non-compliance with sanctions laws and regulations
- monitoring our relationship with the external regulator / network inspector

Ethics and Independence Leader

The Firm's Ethics and Independence Leader is responsible for:

- developing policies related to ethics and independence and designing procedures to implement those policies
- updating the Firm's ethics and independence policies and procedures in the Firm's QMM after approval from the QRMC and the Country CEO
- communicating these policies and procedures to the Firm's personnel
- providing guidance and consultation on ethical and independence matters
- providing sufficient and appropriate independence training to the Firm's personnel
- ensuring controls are in place to provide reasonable assurance that the Firm is complying with the independence and ethical requirements of the QMM
- formulating recommendations for remedial actions for any instances of non-compliance in their service line area
- promoting the fundamental principles of professional ethics contained in the IESBA and MIA By-Laws

Quality Monitoring Leader

The quality monitoring leader is responsible for:

- identifying deficiencies in the Firm's system of quality management via performance of Quality Support Review and Internal Quality Control Review
- evaluating identified deficiencies by conducting Root Cause Analysis
- communicating identified deficiencies and remedial actions to relevant personnel
- providing sufficient details to the Quality Management Leader in formulation of training plan on identifying deficiencies and remedial actions to the Firm's personnel.

Risk Managers

Together with proposing engagement partner/director, the Risk Managers of the respective service lines shall identify any potential clients or clients that meet the definition of a locally prohibited client as part of the client acceptance or continuance process, and report to the national service line practice leader for further action.

GIS Compliance Officer

The responsibility of GIS Compliance officer is as follow:

- monitoring on-going compliance with GTIL requirements over GIS system including customisation for emails, conflict of interest messages, self-clear issues, compliances of reporting personnel to the GIS system, and update local prohibited client list
- deliver ethical training to all new joiner
- perform audit on GIS record annually

Relationship Checks Contact

The Firm's relationship checks contact is responsible for:

- performing the domestic and international relationship checks
- oversee and respond to International Relationship Checks received from other member firms

Anti-money laundering compliance officer (AMLCO)

The overall responsibility of the AMLCO is to plan and implement a monitoring system over money laundering activities and to ensure that system is relevant, adequate, and operating effectively. The Firm's AMLCO is responsible for:

- maintaining appropriate accounts and records for clients
- undertaking client due-diligence measures before initiating any business relationships or carrying out certain transactions on the client's behalf
- developing training programmes and other internal policies and controls against money laundering and terrorist financing
- taking measures to prevent criminals, or their associates, from holding or being the beneficial owner of a significant, or controlling interest, or holding a management function in the Firm
- recording and reporting cash and monetary transactions
- monitoring and reporting of suspicious transactions

IT Leader

The Firm's IT leader is responsible for:

- developing policies related to information technology including cybersecurity as it relates to both the Firm and its engagements
- designing procedures to implement those policies
- updating the Firm's IT policies and procedures in the Firm's QMM, after approval from the QRMC
- communicating these policies and procedures to the Firm's personnel
- providing guidance and consultation on IT matters
- providing sufficient and appropriate IT training to the Firm's personnel
- ensuring controls are in place to provide reasonable assurance that the Firm is complying with the IT requirements of the QMM
- formulating recommendations for remedial actions for any instances of non-compliance in their service line area.



We have established certain Governance and Leadership Key Performance Indicators (“KPI”) and these are summarised as below:

Area of the Governance and Leadership	KPI	Response
Leadership	The ExCo shall include at least one practicing audit partner.	There are three practicing audit partners in the ExCo.
	The ExCo members shall meet at least once a month.	This has been fulfilled during the year.
	All members of senior leadership team are subject to a formal annual appraisal.	This has been completed during the year.
Operations	The ExCo and the Country CEO receive regular updates from the following during the year: <ul style="list-style-type: none"> • National Audit Practice Leader • Head of Risk 	These updates were provided during the year.
	At least annually, the ExCo and Country CEO review the effectiveness of our structure of internal control.	This was completed as part of the approval process for this transparency report.
	QRMC members shall include functional leaders and service line leaders.	Refer to our composition of QRMC chart in the Organisation Structure.
Reporting	The ExCo review the financial statements and this Transparency Report.	This has been completed.
	The Equity Partners meet at least annually to decide on the approval of the annual financial statements and any other matters related to the partnership.	This has been completed during the year.
	The ExCo receives updates on complaints and whistle-blower matters during the year.	These were considered during each ExCo meeting during the year.
Dialogue	Members of our leadership team are actively involved in external dialogue with professional bodies.	Refer to Appendix II for our involvements in professional bodies.
	Transparency Report is published on the GTM website and will be sent to the Audit Committee of our audit clients who are Public Interest Entities.	This Transparency Report is published on our website and shared with the Audit Committee of our clients on 30 April 2023.



Risk Management, Quality and Internal Control

Risk Management

The QRMC designs and implements a risk assessment process in the System of Quality Management to establish quality objectives, to identify and assess quality risks, and to design and implement responses to address the quality risks.

Our Risk Assessment Process

The QRMC recognises the changing nature and circumstances of the Firm and its engagements during the risk assessment process. Considerations shall be given to conditions, events, circumstances, actions, or inactions relating to:

- complexity and operating characteristics of the Firm
- the strategic and operational decisions and actions, business processes and business model of the Firm
- the characteristics and management style of leadership
- the resources of the Firm
- laws, regulations, professional standards, and the environment in which the Firm operates; and
- the nature and extent of the GTIL network requirements
- the types of engagements performed by the Firm and the reports to be issued
- the types of entities for which such engagements are undertaken

Other information sources that enable GTM to establish quality objectives, identify and assess quality risks, and design and implement responses form part of the Firm's information and communication component may include:

- the results of the Firm's monitoring and remediation process
- information from GTIL
- information regarding complaints and allegations about failures to perform work in accordance with professional standards and applicable legal and regulatory requirements, or non-compliance with the Firm's policies or procedures established in accordance with this ISQM 1
- the results of external inspections
- information from regulators about the entities for whom the Firm performs engagements which is made available to GTM, if any
- changes in the system of quality management that affect other aspects of the system, for example, changes in the Firm's resources
- other external sources, such as regulatory actions and litigation against the Firm or other Firms in the jurisdiction that may highlight areas for the Firm to consider
- law, regulation, or professional standards may establish requirements that give rise to additional quality objectives. For example, a Firm may be required by law or regulation to appoint non-executive individuals to the Firm's governance structure and the Firm considers it necessary to establish additional quality objectives to address the requirements

Subsequent to setting of quality objectives and identification of risks, the risk identified will then be assigned to a member of the QRMC (Risk Owner) based on their area of responsibility (service line and business function). Risk Owners are responsible for the ongoing identification, remediation and monitoring of their risks. After identifying the quality risks, an assessment shall be performed, which involves a more detailed consideration of the degree to which a risk, individually, or in combination with other risks identified at firmwide level for a bottom up and top down perspective, may adversely affect the achievement of a quality objective and the possibility of occurrence.

The purpose of assessing the quality risks is to assist the Firm in designing and implementing responses, because the reasons for the assessment of the quality risks affect the nature, timing, and extent of the responses. The matrix below is used to determine the risk level based on the possibility of occurrence and the effect on the achievement of one or more quality objectives.

Possibility of Occurrence	Significance of the Effect		
	1	2	3
1	Low -1-	Low -2-	Medium -3-
2	Low -2-	Medium -4-	High -6-
3	Medium -3-	High -6-	High -9-
Low 1-2	Risk is acceptable, potentially no response needed i.e., there is NOT a reasonable possibility of the risk occurring and adversely affecting the achievement of a quality objective.		
Medium 3-4	Risk may not be acceptable, use judgment to determine if response is needed i.e., there IS a reasonable possibility of the risk occurring and adversely affecting the achievement of a quality objective.		
High 6-9	Risk unacceptable, response is needed i.e., there IS a reasonable possibility of the risk occurring and adversely affecting the achievement of a quality objective.		

In the process of risk assessment, the Risk Owners, with the assistance of others, will identify existing responses, and/or together with any new responses developed as required, that mitigated the identified risk ranges from Medium to High. These risks and responses will be consolidated with the Firmwide risk to create a risk/response profile. Firm's consolidated risk/response profile will be submitted for approval by the Chair of QRMC, the Country CEO and the ExCo.

On an annual basis, the QRMC provides to the Firm's leadership an overview of "priority risks" or risks for which mitigation shall be considered in the current/next fiscal year and beyond. Appendix III listed our priority risks as at 31 December 2022, and the corresponding objectives and the responses designed and implemented in our operation.

Documentation

We have utilised qm.x system, a customised cloud-enabled tool that is developed and maintained by our US member firm as the tool to document the details of our system of quality management.

The qm.x application has the functions below:

- utilizes relationships to connect quality objectives, risks and responses
- allows users to add quality objectives, risks and responses as their systems-of-quality-management evolve
- allows for custom reporting and visualizations of risk levels and relationships
- offers interactive user dashboards
- seamlessly integrates with Microsoft tools, including Power BI
- provides strong, flexible data governance and access controls
- gives users the ability to implement solution at low cost
- facilitates the testing, monitoring and remediation of systems-of-quality-management

Quality

GTIL Global Quality Framework

GTIL has established the Global Quality Framework, which is an overarching standard that applies to all the GTIL member firms. It sets common quality standards and is a permanent reference point setting the expectations of member firms to deliver services to agreed quality standards.

GTIL provides support and resources to help maintain quality, including:

- an audit methodology, with supporting software, that is used globally
- policies and procedures contained in audit manuals that are benchmarked against international auditing, quality control, independence and ethics standards
- protocols that enable member firms to consult with the global auditing standards team and, if necessary, with audit specialists in other member firms
- protocols that enable member firms to consult with an International Financial Reporting Standards help desk
- a comprehensive intranet service that includes up-to-date information for member firms on auditing, financial reporting, ethics and independence standards, and guidance on applying them effectively

Every year, GTIL makes significant investments in education and training, covering items such as:



GTIL Global Assurance Quality Steering Committee

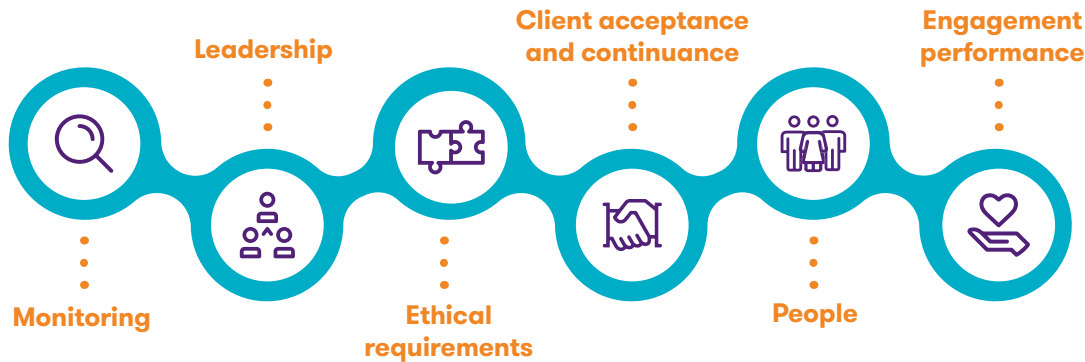
GTIL has a Global Assurance Quality Steering Committee comprise of representatives from member firms, including the U.S., that drives quality initiatives throughout the network. Examples of projects include:

- preparing the network for implementation of ISQM 1
- policy, guidance and tools for each member firm to perform root-cause analysis
- international accreditation policy
- Audit Quality Recognition framework
- whistleblowing policy

In line with Grant Thornton’s global strategy - Go Beyond, that envisions to be “the most valued network in the profession” by 2025, GTIL has been delivering on several quality related initiatives. Some of these initiatives include:

- Network quality monitoring: The Grant Thornton Assessment and Review (GTAR) is a network quality monitoring programme designed to assess the system of quality control in member firms, by conducting a review of engagements and Firm-wide procedures across audit, tax and advisory
- Client acceptance controls: A network committee evaluates high-risk engagements to help safeguard the brand and reputation
- Regulatory liaison: Leading engagement with global regulatory bodies, including the International Forum of Independent Audit Regulators (IFIAR) and the Committee of European Auditing Oversight Bodies (CEAOB)
- International Standard on Quality Management (ISQM) 1: GTIL has appointed a global project leader to support ISQM 1 implementation across the network and track progress

Member firms are required to meet the requirements as set in the GTIL Global Quality Framework on:



Tone at the top

GTM is committed on delivering high quality audit with exceptional client service. This is supported by our unwavering commitment to quality and service to the public users of the financial statement by delivering assurance work that complies with professional standards, regulatory and legal requirements, objectivity and professional skepticism. We have adopted the GTIL Global Quality Framework in our operations.

At GTM, we strongly believe that clear leadership drives the quality of the Firm. Setting a clear tone at the top is ultimately important and our Firm cascades consistent and regular message on the importance of audit quality to all of our people. We expect our partners and staff exhibit proper behaviour- acting with integrity and commit to consistency throughout the audit in order for us to strike for even better-quality service.

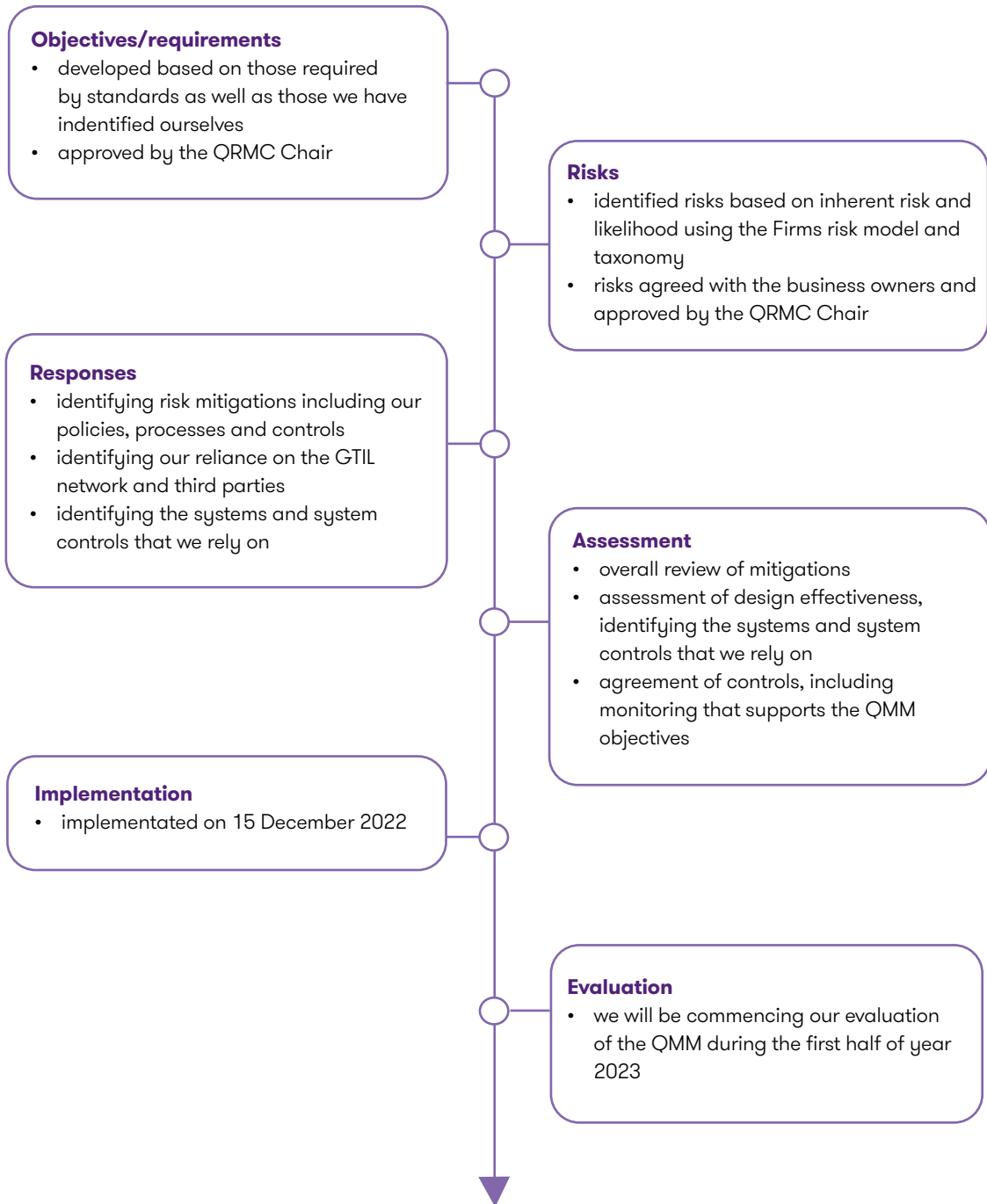
Auditors are often involved in complicated situations where professional skepticism and professional judgement shall be demonstrated. Therefore, our Firm strikes to provide a culture based on quality, ethics, openness, integrity and honesty because with the right culture, staff are more open to share and challenge issues without constraint. We also believe in conducting business and serving our clients with the highest ethical standards of conduct and behaviour. We strongly encourage our people to ask questions as they arise on ethical standards and to consult with the Technical and Training team on particular issues.

Quality Management Manual

During the year we implemented our Quality Management Manual (“QMM”). This is our approach to quality management that ensures we deliver quality work and meet the requirements of various regulations including ISQM 1. The QMM is designed around a series of components that cover all the areas of the business that we believe will impact quality. The objectives we have set for the QMM, are:

- to deliver a risk-based approach to continually improving quality
- for individuals to see quality is more than just basic “tick box” compliance. That quality is at the centre of everything we do and allows us to meet our stakeholder’s expectations
- to design, implement and operate a system of quality management that provides the Firm with reasonable assurance that: – the Firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements and – engagement reports issued by the Firm or engagement partners are appropriate in the circumstances
- to establish and maintain a robust monitoring, reporting, root cause and remediation programme
- to ensure the Firm is resilient and can identify and respond to changes in the regulatory environment

Our approach to ensure implementation by 15 December 2022 has been through a series of stages, fully engaging with those who operate our quality processes, as well as our QRMC. The implementation process has also been reported to the Country CEO and ExCo.



Appendix III listed our priority risks as at 31 December 2022, and the corresponding objectives and the responses designed and implemented in our operation.

Audit Specific Matters

Audit Methodology and Technology

The Grant Thornton Audit Methodology is clearly linked with the ISA. It starts with a top-down risk assessment to enable a well-focused and effective audit. The risk assessment starts with obtaining an understanding of the entity and its environment, including internal control, discussion with the management and those charged with governance, discussion among the audit team and many more.

This understanding enables the auditor to undertake an appropriate top-down risk assessment focused at the account level and design a relevant response to the identified risk. Each response is tailored for the specific risks of each client. Furthermore, a series of trainings are provided to support the methodology for instance, the ISA proficiency series and methodology support series.

Engagement teams use a variety of automated and analytical capabilities tools in the audit execution. Audit evidences are documented within our existing audit software Voyager, while disclosure checklist tool is utilised to review the completeness of the disclosures in the client's financial statements. All audit documentation are accumulated and archived within 60 days following completion of the audit. Audit files are retained for seven years following the completion of the audit in order to support our opinion and facilitate internal and external inspections.

In 2021, we have adopted a new Methodology named LEAP Methodology. It is an ongoing, collaborative effort led by GTIL to re-energise our audit practice and prepare our global organisation and people for the future of audit. It also applies an account-based approach to address the risk of material misstatement and allows each audit team greater flexibility in designing their response to the risks of material misstatement within entities they audit.

We are currently at the activation stage of the LEAP tool adoption.



Quality Management and Quality Monitoring

Within Audit, our Quality Management Team and Quality Monitoring Team(QMTs) support a range of quality processes. The QMTs are the centre of excellence for our specialists in audit and accounting. They provide supports to the audit practice through the provision of technical consultation, training and guidance, a suite of working paper templates and audit software.

We continue to promote a culture of openness and encourage all members of the practice to consult with colleagues and QMTs. This sharing of knowledge and experience is key to the delivery of audit quality and is supported by specific requirements for auditors to consult with the QMTs on key judgmental and complex issues. Our policies, processes and guidance support teams to ensure our audits comply with relevant requirements.

The functions of Quality Management are listed as below:

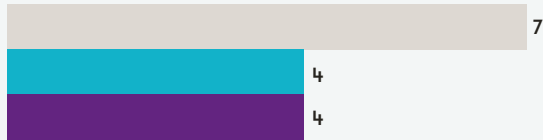
Area	Details
Audit practice development	Provides the foundational technical auditing guidance, methodology and tools to enable practitioners to deliver high quality audits. The team's work includes providing timely technical support, guidance and training, developing and releasing new audit tools and methodologies as well as engaging with GTIL on emerging audit issues
Accounting advisory	Provides support and consultation to auditors on technical accounting and financial reporting matters
Learning	Designs training plans according to the needs and implements the training plans, including preparation of contents and delivery of training session
Audit quality management	Provides risk management support at Firm level, including manages the implementation and testing of the QMM
Managing external inspection	Manages and liaises with external inspector for example Audit Oversight Board, Grant Thornton Assessment and Review, U.S. Public Company Accounting Oversight Board (PCAOB) during their inspection
Issuing of Transparency Report	Covers the yearly productions transparency report of the Firm

The functions of Quality Monitoring are listed as below:

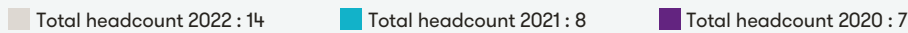
Area	Details
Quality Support Review	Undertakes hot reviews of our highest-risk engagements to provide support to the audit team and the Engagement Quality Reviewer on the audit areas identified to be significant to the overall audit
Quality monitoring	Delivers the internal quality control review programme
Root cause	Investigates the root cause of review findings, support the Firm to develop better quality actions based on underlying causing of findings

Headcount of risk management and quality functions

Risk management



Quality management and quality control



The headcount is allocated to the various functions that comprises of risk management, quality management (including quality assurance, technical consultation and etc.) and quality monitoring and presented in the chart above based on the different level of involvements of the personnel. Two personnel were involved in both risk assessment and quality management and quality monitoring functions while another two personnel have other roles outside their risk management role. The Firm continues to invest in our quality control functions to provide technical support to our audit engagement team.

Quality personnel to audit personnel ratio



Key developments in the year include:

- implementation of the QMM, including launch of a new audit categorisation and risk model to support the identification of risks in our audit clients from a Firm wide and delivery perspective
- continued enhancement of the policies and procedures related to LEAP Methodology, including adopted of a further tranche of template working papers issued by GTIL in relation to LEAP methodology
- conducted training sessions on various accounting and auditing topics
- in the process of adopting our new LEAP audit tool developed by GTIL
- ongoing refinement and development of our audit quality indicators
- conducted Audit Support Reviews and Internal Quality Control Review

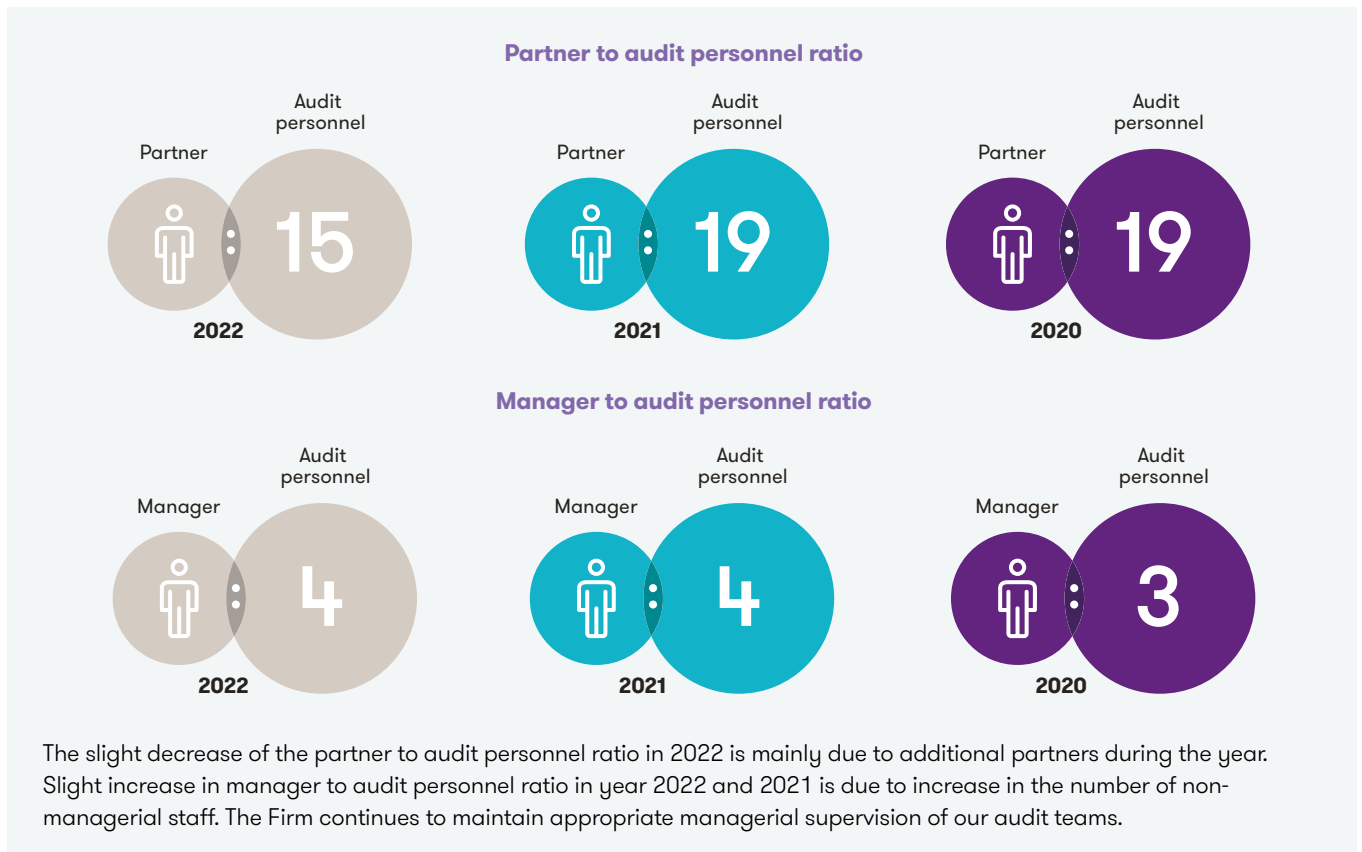
Supervision and Review by Experts and Specialists

Our audit partners and managers are equipped with proper knowledge and experiences to coach the junior auditors in the process of audit execution. Besides that, we make use of our extensive resources including:

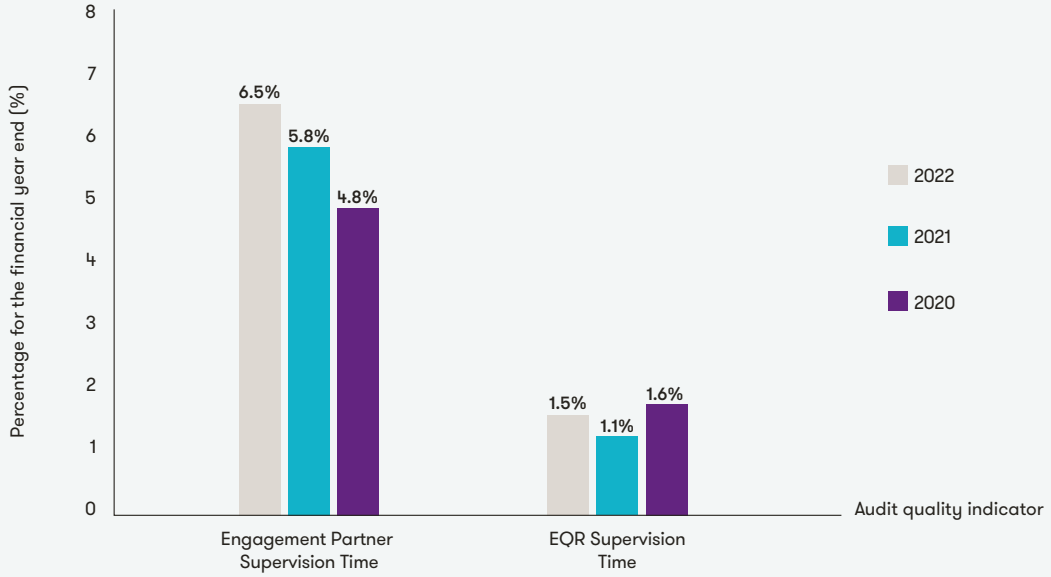
- Engagement Quality Reviewer on the audit of public interest entities and other high risk engagements
- Specialists including taxation, valuation and IT audit
- Industry specialist and many more

This synergy of experience and technical ability, coupled with our culture of constructively challenging one another, ensure quality and rigour in all stages of the audit.

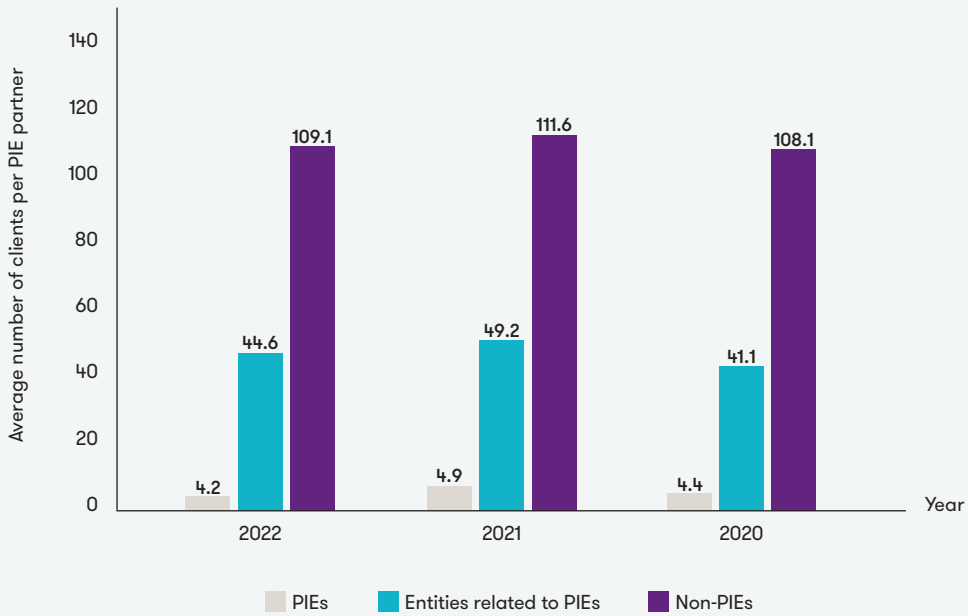
Technical excellence, audit quality and ethical behaviors are reinforced to all audit professionals during their induction and throughout subsequent learning programs. Included within these programs is a continual reminder that a foundational expectation on all audit engagements is to maintain an objective and sceptical mindset when conducting the audit. The application of technical expertise is a key competency assessed within the mandatory annual performance appraisal process. In addition, partners and staff involved in the audit of certain clients, such as listed companies, must first be suitably accredited (for example, completion of mandatory training programs, sufficient public company audit experience, industry experience and other criteria).



Engagement Partner and EQR Supervision Time



Average number of clients per PIE partner



All audit partners are well aware of their involvement to ensure audit quality of engagement is achieved. Average number of clients per partner decrease slightly in 2022 solely due additional partners in the firm. The Firm is monitoring the number of clients per partner to ensure that the workload of audit partners are within reasonable range.

Audit Quality Indicators (AQIs)

Our Firm utilises AQIs to further monitor the quality of our Audit. It is a key tool in the continuous improvement of our system of quality management. The Quality Management Team monitors the AQIs on a regular basis. Our AQIs include the followings:

Supervision level	<ul style="list-style-type: none"> • Partner to staff ratio (pg 30) • Manager to staff ratio (pg 30) 	<ul style="list-style-type: none"> • Headcount of the firm (pg 42) • Turnover rate for audit personnel (pg 42) 	Headcount and Turnover of audit personnel
Engagement Partner and EQR Involvement	<ul style="list-style-type: none"> • Engagement Partner and EQR Supervision Time (pg 31) 	<ul style="list-style-type: none"> • Hours of training provided by the firm to the audit personnel (pg 44) 	Training hours per audit personnel
Workload of PIE audit partner	<ul style="list-style-type: none"> • Average number of clients per PIE partner (pg 31) 	<ul style="list-style-type: none"> • Percentage of audit personnel with professional qualification (pg 46) 	Professional development

Risk Management and Quality Support	Provision of non-audit services	Years of experience of audit personnel
<ul style="list-style-type: none"> • Headcount of risk management and quality functions (pg 29) • Quality personnel to audit personnel ratio (pg 29) 	<ul style="list-style-type: none"> • Composition of fee income derived from audit clients (pg 37) • Composition of fee income between audit practice and non-audit practice (pg 38) 	<ul style="list-style-type: none"> • Average year of experience of audit partners and audit personnel (pg 46) • Year of experience by audit personnel role in audit practice (pg 47)

Internal Control

The Country CEO has the ultimate responsibility for our quality management system and to establish an appropriate structure of internal control to manage our risks. As part of our annual procedures and in compliance with our corporate governance, to assess the effectiveness of the system of internal control, we will undertake the process to update the consolidated risk register for identified risks, controls and monitoring mechanisms and will also:

validate the Firm's risks and summarised version of the whole Firm risk landscape	review the management and monitoring of risks	review the reports and findings from regulatory reviews
review the reports of the external auditors	review the complaints register and any new litigation	review the consolidated risk register which is based on the risk registers for the underlying businesses

We continue to focus on improving our internal control particularly through the implementation of QMM during 2022. On this basis, the ExCo and the Country CEO are satisfied that the Firm's system of quality management and our internal controls are robust and operating effectively.



Ethics, Independence and Compliance

Ethics

Code of Conduct

Our Code of Conduct is an extension of Grant Thornton's global values, which provides the framework for the way in which we conduct business, serve our clients, and behave both within the Firm and externally. A dedication to our global values of Collaboration, Leadership, Excellence, Agility, Respect and Responsibility (CLEARR) is the personal responsibility of every employee of Grant Thornton. The Code of Conduct also includes policies that cover dealing with independence, conflicts, protecting confidential and proprietary information, records management, equal opportunity employment and diversity issues, complying with laws and regulations and many more.

GTM adheres to the policies of quality control set by GTIL. Our QMM is based on the requirements set out in the International Standard of Quality Management ("ISQM 1") for Firms and the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA). GTM also makes every effort to foster an environment in which people feel safe to report perceived unethical behaviour without the fear of retaliation or retribution. There are multiple channels available within the Firm to report violations, and people are encouraged to use them.

Conflicts of interest and relationships

If a potential conflict is identified at any stage of our work with a client, we engage with all relevant parties to obtain informed consent and implement procedures to adequately safeguard confidential information. These procedures consider any actual or perceived conflicts. Where necessary the relevant head of service line, the Ethics and Independence Leader and other member firms are consulted. All GTIL member firms utilise international relationship checks to identify potential conflicts of interest or independence issues across the network.

If it is not possible to adequately safeguard against the actual or perceived conflict to an extent that an objective, reasonable and informed third party would query our approach, we will not undertake one or more of the services. The final decision as to which if any service is provided, is ultimately ours, but these decisions are made with the involvement of the entity(s) concerned.

Financial Interests

The following are prohibited from holding a direct or material indirect financial interest in an auditing entity of the parent undertaking of any entity audited by GTM, in any publicly traded audited entity (or publicly traded parent of an audited entity) of a member firm of GTIL:

- ExCo
- all the service lines' partners, directors and management staff
- team members who provide assurance services or non-audit services for the restricted entities mentioned above
- any persons closely associated with any of the above including immediate family
- partners and people who have a financial interest outlined above, or deemed to create a conflict of independence threat must dispose of the financial interest immediately.

Supplier and third party relationships

We ensure that our suppliers and other business relationships or third party relationships meet our independence requirements by conducting checks before entering into new supplier contracts. These checks help us identify any audit or other public interest assurance engagements that we may perform with the supplier, and if such relationships are identified, we carefully consider any potential threat to our independence.

Gifts, hospitality and favours

GTM personnel are prohibited from receiving any gifts or hospitality or favours from the audit clients, suppliers or third parties unless the value is immaterial (which is below RM 500) and is deemed not to improperly influence the decision or behaviour of the audit team member or the Firm. Consideration is given not only to the monetary amounts but also non-monetary considerations for example, the nature, frequency, context and parties involved in this assessment.

The Firm prohibits partners, directors and staff from giving or accepting a bribe, facilitation payment, kickback or other improper payment for any reason with clients and potential clients, consultants, contractors, suppliers, government officials and any other entity in which the partners and staff has dealings with. A facilitation payment is a payment demanded to secure or expedite routine action or delivery of services to which the individual or enterprise is entitled. A kickback is the giving or accepting of money, gifts, or anything of value that is provided in return for favorable treatment and includes improper political or charitable contributions and sponsorships that are made as a subterfuge for bribery.

Any gifts, favours, or hospitality that exceed the de minimis limits must be recorded in our systems, and prior approval shall be obtained from the Firm's Ethics and Independence Leader.

Independence

Our auditors are well aware that everyone has to be independent in mind and in appearance during their course of employment with GTM. In fact, independence sets the foundation for us to exercise professional skepticism and make objective conclusions without being affected by influences that could compromise our professional judgment. Our independence policy is in compliance with the Code of Ethics for Professional Accountants of the IESBA and ISQM 1. Our Firm monitors auditor's independence through the followings:

- New joiner confirmation
- Annual confirmation
- Global Independence System
- Global Restricted List and Global Conflict List
- Independence Training
- Ethics hotline
- Client acceptance, reacceptance and withdrawal
- Audit Independence Assessment
- Communication with those charged with governance



New Joiner Confirmation

New joiners including partners are required to sign a new joiner confirmation upon joining the Firm to confirm that they understood and will comply with the Firm's policies and procedures. In addition, auditors are required to confirm that they do not hold any financial interest from our Global Restricted List.

For new partners and managers, they are required to report all of their investment portfolios in the Global Independence System managed by GTIL within 30 days upon joining the Firm.

Annual Confirmation

GTM's auditors and partners are required to sign an annual confirmation that declares that they are free from prohibited financial interest in, and financial relationship with GTM's audit and assurance clients. Should there be any potential independence issues identified, the Head of Risk and Country CEO will be notified and appropriate safeguards will be implemented by the Firm in accordance with the IESBA code.

Global Independence System (GIS)

Management personnel in GTM are required to maintain records of their financial interest (including their spouses, spousal equivalents and dependants) through Global Independence System (GIS), an automated tracking system that identifies restricted entities (issuers of publicly traded securities in which financial interests are prohibited or restricted). This information is made available to all personnel in all member firms.

The GIS monitors compliance with the financial interest policies by comparing financial interests recorded in the system with a regularly updated list of restricted entities. Individuals and those responsible for compliance monitoring are notified by the system in the event a recorded financial interest is in a restricted entity. Should a prohibited financial interest is recorded in GIS system, the respective personnel is required to dispose of the respective financial interest immediately. Annual GIS Audit will be performed by the GIS Compliance Officer on rotation basis for our management personnel. Non-compliance will be consulted by the GIS Compliance Officer and our Head of Assurance and actions will be taken immediately to discharge the risk of independence.

Global Restricted List (GRL) and Global Conflict List (GCL)

Global Restricted List contains the names of publicly traded audit or review clients of GTIL member firms and/or the publicly traded related entities of such clients where independence is required.

Global Conflict List identifies circumstances where it is not permitted, or advisable, to offer services to certain entities that are not eligible to be on the GRL, for example, a close business relationship with a vendor that is significant to the member firm and many more.

All member firms including GTM are required to update its GRL and GCL into a web system managed by GTIL monthly. GTIL personnel will then publish a consolidated GRL and GCL in an intranet called GT Connect web page. Additionally, a GIS compliance officer will send out an email with the latest GRL monthly as a reminder to all GTM staff on the prohibition of holding any financial interests in the companies that are included in the GRL.

Independence Training

Independence training is given to all the new joiners on the first day of joining the Firm and it will be deliberated annually during our annual internal training.

If in an unlikely event that any partners or employees are aware of any independence breach, they should report to the Audit Quality Committee immediately.

Ethics Hotline

At GTM, we are committed to deliver our services with high standards of ethics, integrity, objectivity, professional competence and due care, confidentiality and professional behavior. As part of our commitment to ethics and compliance, complaint on our intranet site via email or call on a confidential basis is available to ensure that both our Firm professionals and our clients can seek clarification and help or to report a potential ethics and compliance violation.

Client Acceptance, Reacceptance and Withdrawal

Client Acceptance

Since 2017, our Firm relies on Voyager Information System (VIS) Client Acceptance System, an electronic platform that captures all of our clients' acceptance and reacceptance. Based on relevant criteria, the potential engagement is automatically assigned to a risk category and subject to electronic approvals, accordingly. We apply a rigorous client engagement acceptance and reacceptance policy, taking into account risk, complexity and specialised experience requirements.

Involvement of Audit Quality Committee

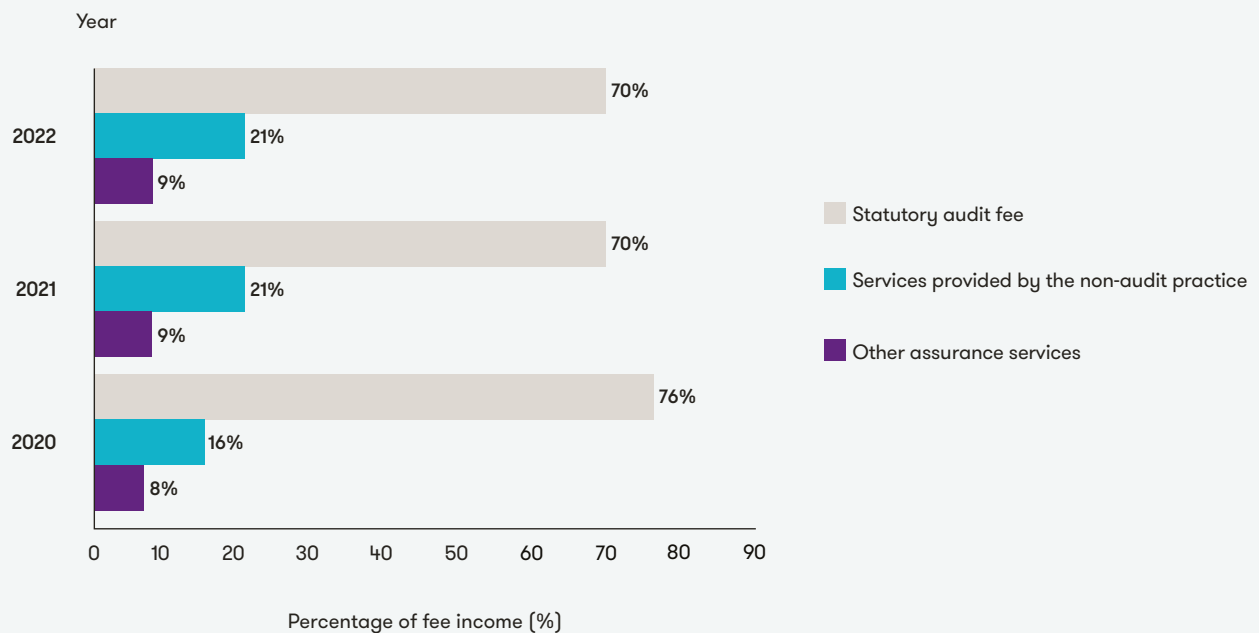
In the case of new potential audit clients which GTM does not have any history in dealing with, approval of the AQC is required before the audit proposal is sent to the potential client. As part of our risk assessment, a series of questions are required to be answered in aiding the decision of accepting a new client. Any concerns identified such as the client's corporate governance and financial reporting systems through our assessment procedures enhances our careful consideration in determining our engagement with the client. Additionally, we consider the availability of resources with the right skills, knowledge and experience as well as whether the audit fee commensurate the risk that the audit client is having and our expected level of effort.

All of GTM's statutory audit clients are to comply with the Key Assurance Assignment Global Policy issued by GTIL. Approval is required from GTIL should the audit meets certain criteria set in the Key Assurance Assignment Global Policy.

Acceptance of Non-Audit Services (including other assurance services)

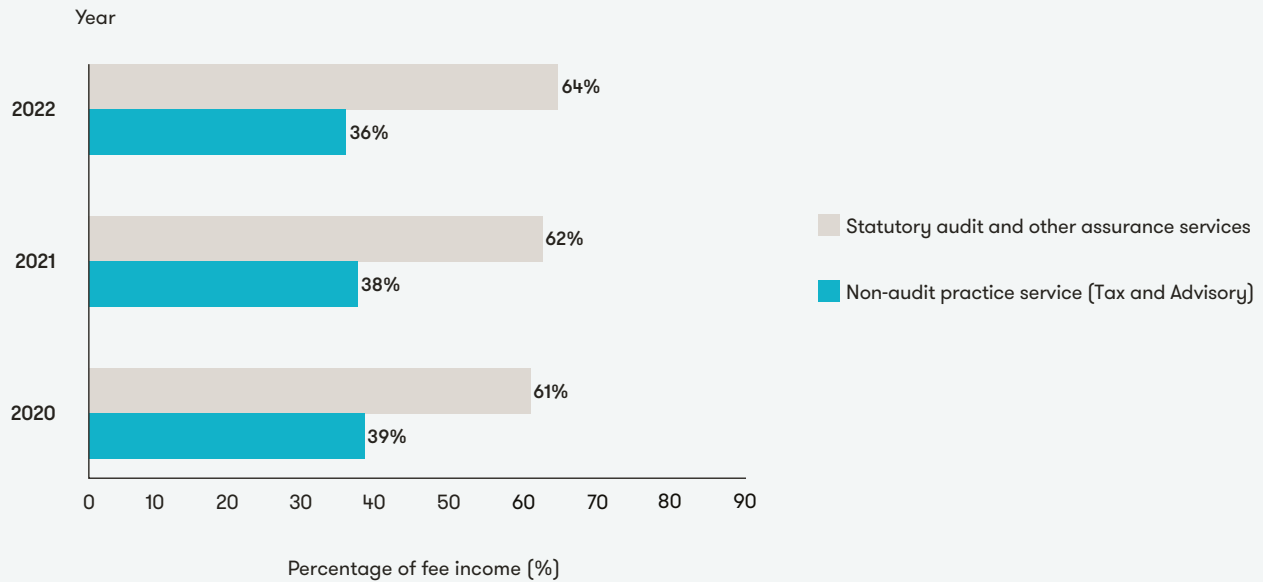
Approval from the relevant audit engagement leader must be obtained before accepting any non-audit service, including other assurance services, for an audit client. The approval is granted only after careful consideration of the permissibility of the service, potential threats to independence, and effectiveness of any planned safeguards. If the situation is particularly complex, the AQC must be consulted. If necessary, the circumstances are communicated to the audit client's audit committee or those responsible for governance.

Composition of fee income derived from audit clients



Other assurance services refer to works mainly related to corporate exercise (Initial Public Offering, Reserve takeover, financial due diligence and etc.) The composition of our fee income derived from audit clients are consistent in 2022 and 2021.

Composition of fee income between audit practice and non-audit practice



Fee income from statutory audit services continues to be the major contributor to the overall fee generated by the Firm for the past three years. The slight increase in non-audit services in year 2020 is mainly derived from advisory services. The Firm ensures that provision of such service does not impair our independence with adequate safeguards in place.

Client Reacceptance

An annual re-evaluation of all audit clients are required to be undertaken to evaluate if there is any indication in the change in their risk profile. The engagement partner and the Head of Audit Group, after proper consideration on the information available, will approve or reject the client reacceptance.

Withdrawal of Client

The Country CEO shall be notified upon the withdrawal of an engagement to identify if there are any legal or regulatory responsibilities.

Audit Independence Assessment

On each audit engagement, our teams make a full assessment of independence at the planning stage. This assessment is ongoing throughout the audit and considers both the Firm and the audit team members independence. This assessment is made through consideration of the six key independence threats:

- self-review
- self-interest
- acting in an management
- acting in an advocacy role
- familiarity
- intimidation

Particularly, in relation to familiarity we have detailed rules relating to the engagement leader and team rotation. GTM adopts the transitional provision guidelines of MIA in adopting the provisions of the Long Association of Personnel (including Partner Rotation) with an Audit Client under section 540 of MIA By-Laws. The requirements generally place limit on the number of consecutive years that partners in certain roles may provide services to a client, followed by a 'cooling off' period to reduce familiarity threat.

We continually track and monitor movements in our rotation requirement on our public interest entities, initial public offering clients and other high risk engagements requiring rotation through maintaining a list of key audit personnel.

Communication with Those Charged with Governance

Another key element in our independence and ethical practices includes communications with audit committees and those charged with governance (collectively, TCWG). For each audit client, our engagement teams communicate with TCWG to discuss matters that may reasonably bear on the Firm's independence and the execution of the audit engagement. At the end of each audit, the engagement team reviews with TCWG the results of the audit. All non-audit services proposed to our audit clients are pre-approved by the respective audit partner to ensure the independence and the objectivity of the Firm, potential ethics and compliance violation.

Compliance

GTM considers compliance with applicable laws, industry regulations and codes to be an integral part of doing business. Rigorous policy statements, procedures, controls and our QMM foster compliance with all applicable regulatory requirements. Our partners and staff are dedicated to implementing, monitoring and maintaining an operationally effective control environment across all service lines.

Anti-money laundering

When indications of money laundering exist, the Firm will not enter into any business relationship with the client, its' principal owners, key decision makers, related parties and those charged with its governance.

The Firm requires audit partners and staff to immediately report transactions believed to be suspicious to the Risk Management Committee.

Cybersecurity

One of the most significant risks facing the profession is the risk of a cybersecurity breach. GTIL has implemented an ongoing global cybersecurity programme to mitigate the network's exposure to cybersecurity threats through an integrated legal, risk, and technology approach. Minimum cybersecurity standards must be met by all member firms; annual compliance self-assessments are validated with periodic, risk-based third-party reviews.

The network's global monitoring programme also utilises a third-party security ratings service to identify real-time changes in public security vulnerabilities. Member firms are also required to share real-time information regarding cybersecurity incidents which affect more than one member firm, which helps to mitigate the risk of an attack on the wider network. Finally, incident response is key to preparedness and all Firms are required to have incident response plans in place and test their plans regularly. GTM has secured cybersecurity insurance to obtain rapid support in the event of an incident which exceeds the capability of a Firm's existing resources. Our first GTIL Cybersecurity Control Compliance Review was done by GTIL in 2020 virtually and we were awarded Grade A in accordance with the compliance review policies.

Crisis Management

Given today's age of connectivity and technology and the recent COVID-19 pandemic, situations can rapidly develop into crisis, with cross-border implications. As such, GTM has adopted the Crisis Management Policy imposed by GTIL to have a common approach for identifying such situations and responding to them. The crisis management policy imposes certain obligations on our Firm to support the mitigation of risk associated with dealing with a crisis in our home country.

Our crisis management team are made up of the ExCo members with significant experience in handling emergency situations. Included in our policy are examples situation of crisis and the implications to the Firm. Should any of the situations occur, ExCo members will immediately convene to identify the action plans.



People and Culture

People are key to all that we do we put people first in a culture that is collaborative, inclusive and agile. We believe that a culture of audit quality is key to supporting our people and delivering audit quality. Our culture continues to be underpinned by our CLEARR values.



Our vision and culture are the key lever to achieving business objectives and meeting the expectation of our stakeholders. This year, we adopted GTIL new global culture charter: **One Culture: Four ways to behave**

The ‘care’ that underpins our culture is strongest when we do these four things:

- caring means **respect for all**: When we do the right thing for our people, we do the right thing for our clients
- caring means **collaborating widely**: When we collaborate well, we look after our clients
- caring means **delivering high quality and excellence**: Our tenacious care for quality creates an even better client outcome
- caring means **including others**: Our diverse, inclusive teams do even better work for clients

Our strength lies with our people. We believe investing in our people, investing in our quality. As such, our Firm has been working on creating a safe, inclusive, and supportive environment for our people to work. We aim to achieve a more open and non-judgemental consultative environment where our people are encouraged to speak out without fear and retaliation. We want our people to have confidence to discuss their well-being issues and career satisfaction to us. To make this happen, we have enhanced our policies on:

- more structured training provided including engaging international global training provider for accounting standard training. We also introduced our first physical annual training since year 2019.
- flexibility for our people to choose the dates they take their public holidays
- birthday leave is gifted for all our staff
- created flexibility in work by introducing option to work from home
- resume our Firm’s physical annual dinner since COVID-19 for our people to get together and enjoy some quality time together.

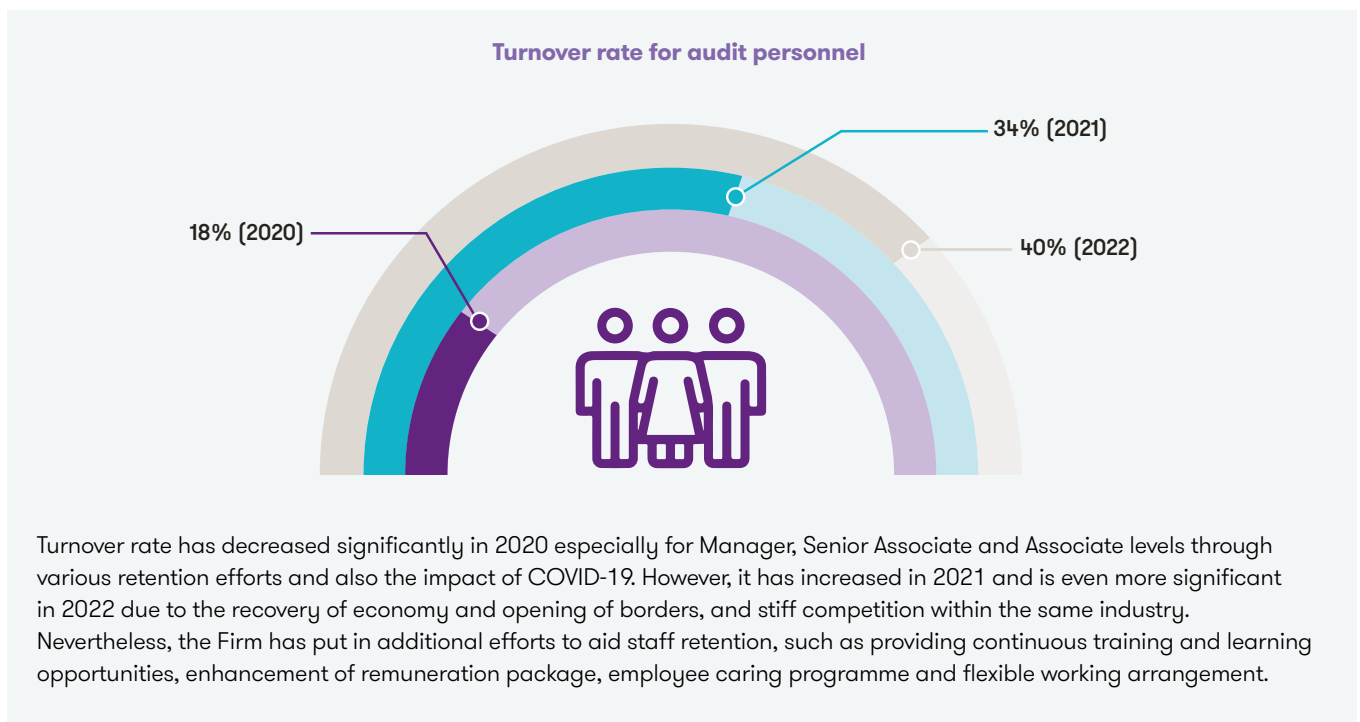
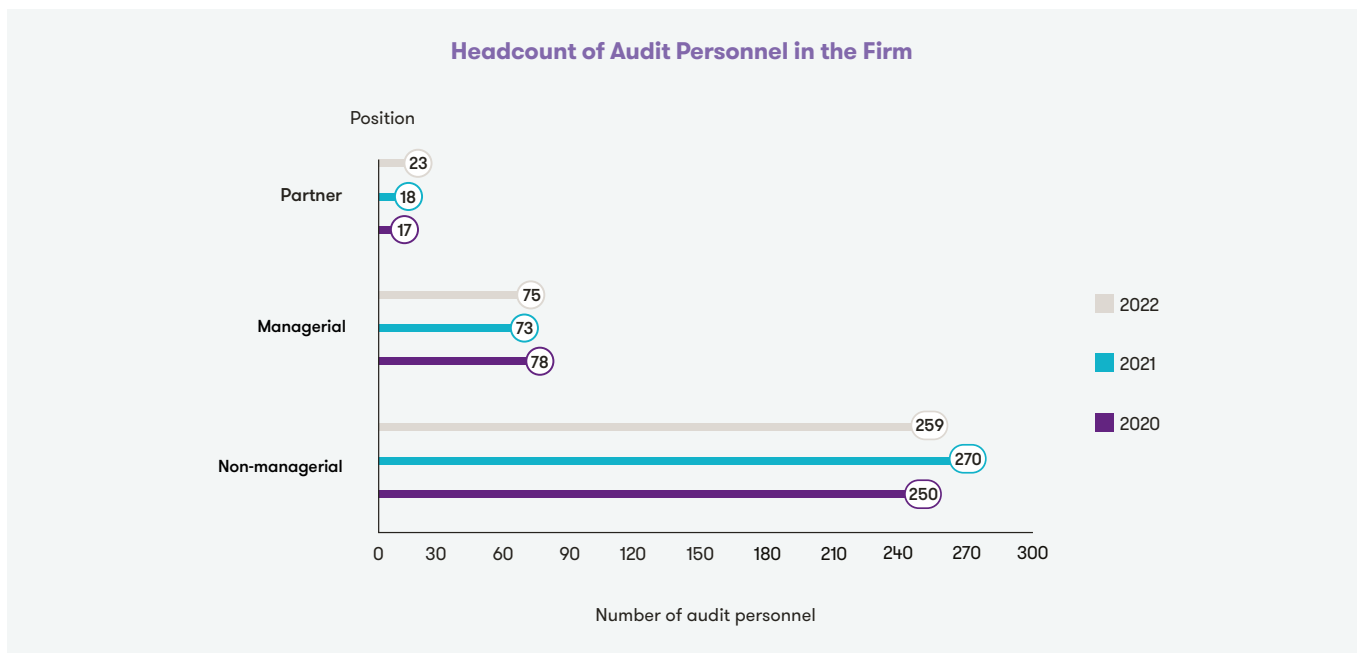
Inclusion and Diversity

Diversity of thought, background and experience is vital to us. It brings better decision-making, improves the quality of our delivery and helps us to meet the needs of our clients. Building an inclusive culture, where we value difference and respect our colleagues, is the right thing to do, helps our people to perform at their best and grow to their full potential. Through everyday inclusion we can embrace diversity and in several areas, we have made good progress but there remains work to do to meet our strategic aim that by 2025 we are the best firm at valuing diversity through everyday inclusion.

Recruitment and Retention of Talent

It has been quite a challenging year for the Firm to retain our people due to the current competitive environment and the post-pandemic borders reopening. Our Talent and Culture team has been working to reconnect and re-establish relationship with our people as we recognised the challenges our people are facing during this COVID-19 pandemic.

Further, we are concerned on having the right people with the right skillset to maintain the audit quality, hence our Firm has a thorough interview process to ensure the new hires are 'fit and proper' in terms of skill, competency and independence. Besides, we have also established rule to have at least a partner to sit in for the interview upon recruiting senior associate and above.



Turnover rate has decreased significantly in 2020 especially for Manager, Senior Associate and Associate levels through various retention efforts and also the impact of COVID-19. However, it has increased in 2021 and is even more significant in 2022 due to the recovery of economy and opening of borders, and stiff competition within the same industry. Nevertheless, the Firm has put in additional efforts to aid staff retention, such as providing continuous training and learning opportunities, enhancement of remuneration package, employee caring programme and flexible working arrangement.

Learning and development

Learning and development of our people is vital to the success of our business. All our people receive adequate training and development which helps us maintain high-quality services across all service lines. Our people are strictly adhering to the Firm requirement where all of our shall achieve a minimum of 40 Continuous Professional Development (“CPD”) annually or a minimum of 120 hours of CPD over a three-year period. The audit practice established robust policies and processes around learning development and delivery in the following areas to ensure learning programs are relevant and effective:

- the number of hours and type of training needed by professional level
- identifying and prioritising learning topics, by level
- content development, technical reviews and delivery
- monitoring enrolment and course completion
- continuing professional education compliance

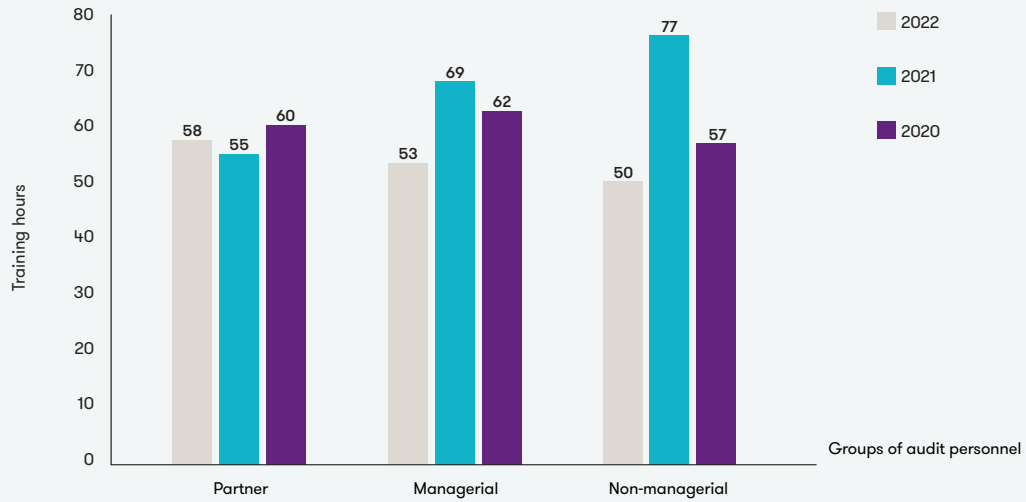
Internal training is provided by our Quality Management Team. The training provide include new joiner induction program, latest updates on ISAs and MFRSs, communication on internal and external inspection findings, ethic and independence requirement in accordance with ISQM 1 and IESBA and also our QMM introduced this year. Most of our training remained virtual, webcast and on-demand learning due to COVID-19. However, we have started our face-to-face annual training at the end of this year as we enter into post-pandemic.

In addition, GTIL offers a web learning management system, Learn Connect to its member firms. Included in Learn Connect are ISA training series, GT methodology series, International Financial Reporting Standards (IFRS) series and also professional development series for new joiners. All these trainings ensure that our auditors obtain sufficient knowledge to carry out their audit work.

Further to that, we have also collaborated with GTIL in engaging an international global training provider for the provision of accounting standards to all of our management personnel. We believe our people will be able to build their technical capabilities and commercial acumen by continuing investing in providing the necessary training to them.

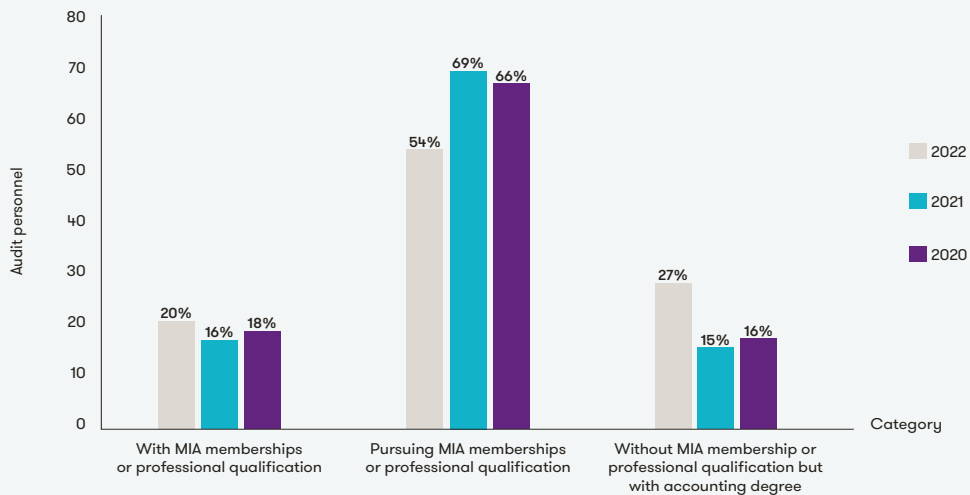
Mandatory training	Area of focus	Testing
New joiner induction training Ethical and Independence training ISAs Training and GTIL Audit Methodology training Annual training	Impairment of assets Audit of accounting estimates External review and Internal review findings Maintaining Professional Skepticism during auditing Business Combination	Testing at the end or during the training for all the virtual training programs

Hours of training provided by the Firm to the audit personnel



The Firm ensures that respective groups of audit personnel receive sufficient training hours that fulfill the CPD requirements of a minimum of 40 hours per year, which includes important and relevant industry topics. The hours of structured training provided to each audit personnel is pretty consistent throughout these three years except for structured training provided for non-managerial audit personnel in 2021 as we were trying to assist them to cope with the works and knowledge subsequent to the COVID-19 pandemic.

Percentage of audit personnel with professional qualifications

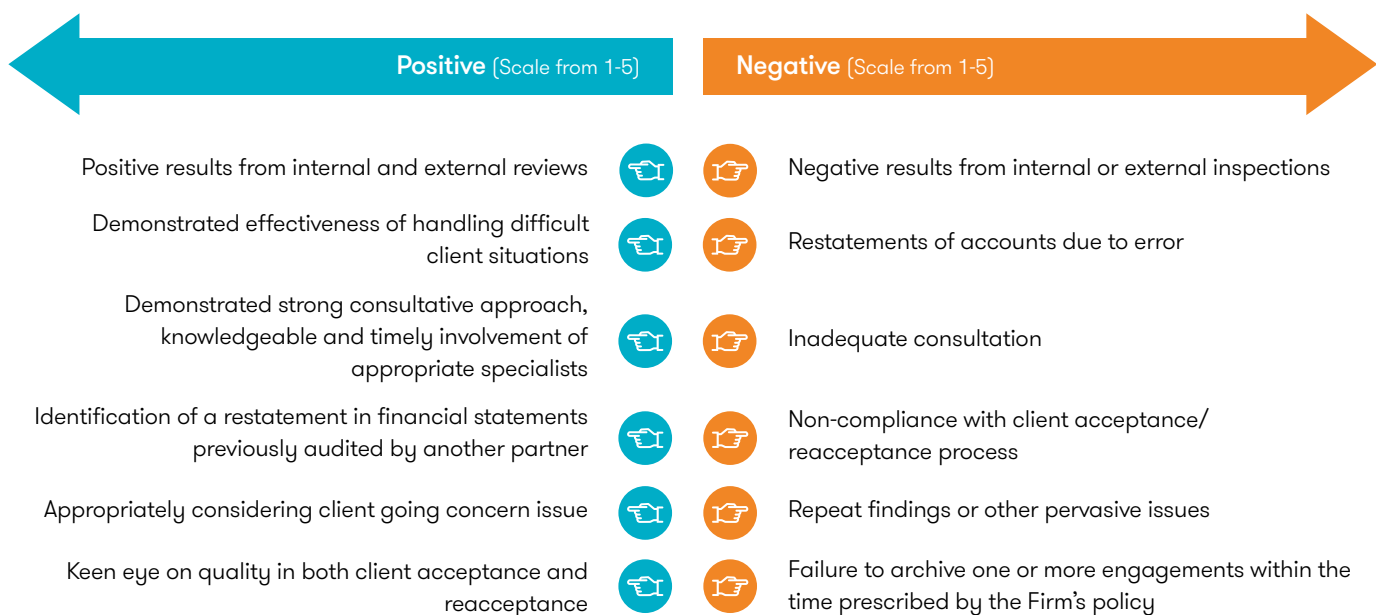


Performance and remuneration

All audit partners and audit staff are appraised annually to review their strengths, weaknesses, development and maintenance of competences and compatibilities, quality of work performed, commitment to ethical principles, training needs and career plans against the Firm's expectations. We have a clear promotion process for each of the staff level to ensure that the performance appraisals and compensation targets is aligned with the Firm's quality goals to drive recognition of the system of quality management and to reward high-quality work.

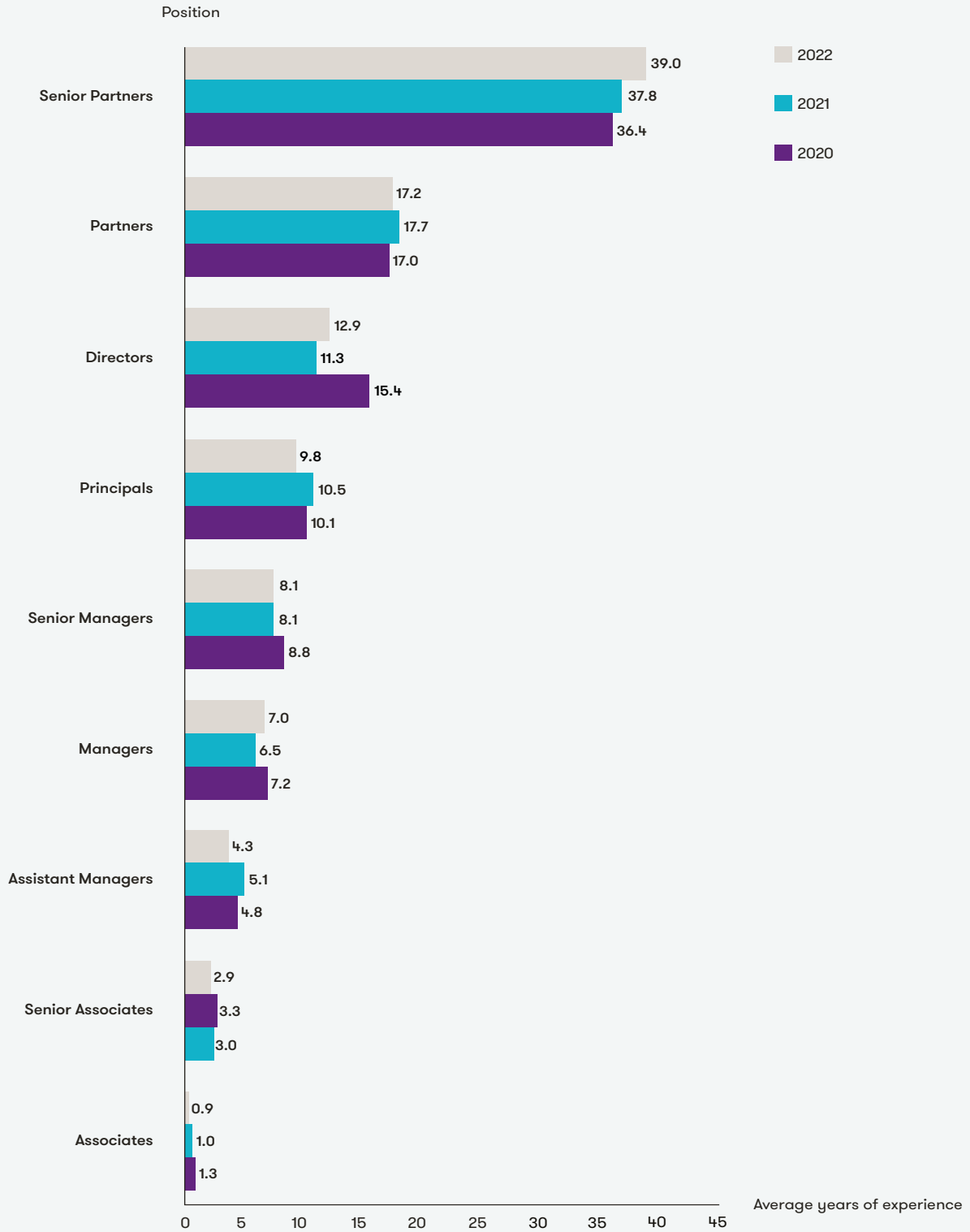
Our Partner Appraisal Program includes Partner's audit quality. Their quality performance appraisal includes internal and external inspection results, effectiveness in handling clients' situations, compliance with risk management policies, compliance on the requirements of minimum training hours and many more. Ratings from 1-5 will be given to each criterion and remuneration will be affected should the ratings are low. Further consultation will be given by the Country CEO and ExCo members should there be independence, ethics or audit quality issues.

We track positive and negative audit quality indicators and assign a range of points to those indicators. Some of the most significant points we will be tracking are as follows:

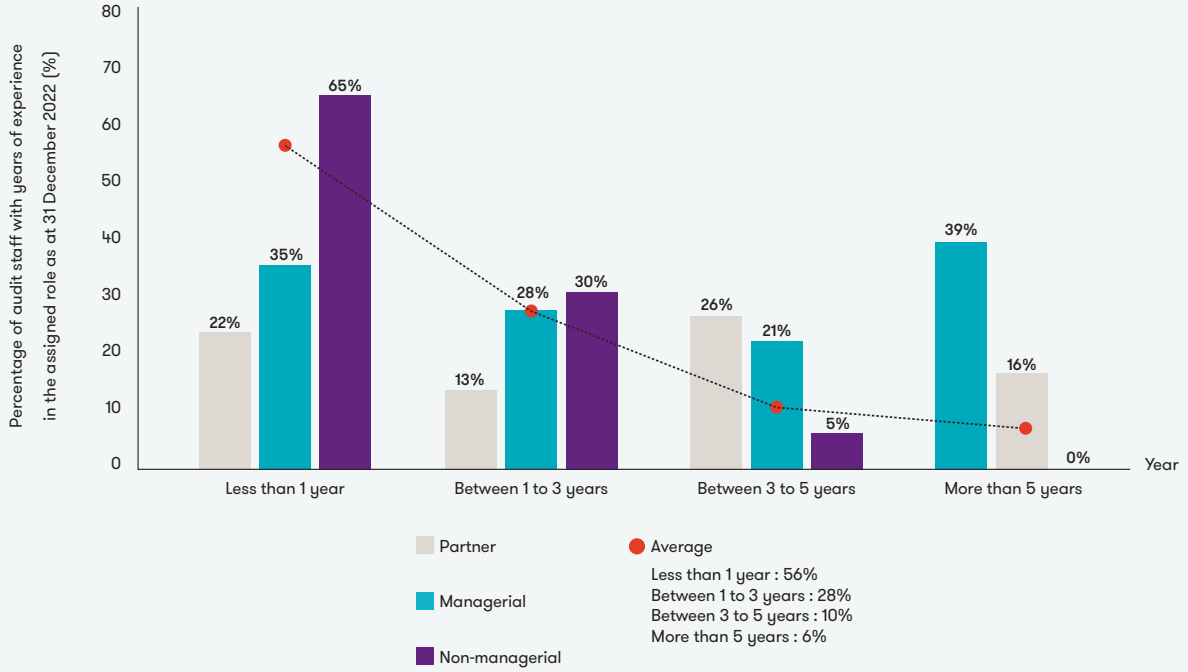


The points are tracked separately and refreshed annually. Positive points and negative points will be monitored over time and will be reflected in the partner's remunerations package and/or additional training and development plan. Our goal is to reward long-term demonstrations of quality and to encourage and direct potential improvements to quality where appropriate.

Average years of experience of audit partners and audit personnel



Years of experience by staff role in audit practice



A photograph of a person kneeling on a wooden floor in a room with white trim and a white chair. The image is overlaid with a large, semi-transparent purple shape that covers the bottom half of the frame. The word "Monitoring" is written in white, bold, sans-serif font on the purple background.

Monitoring

At GTM, audit quality means being consistent in the execution of requirements and professional standards. Our employees are required to deliver professional services that complies with the fundamental principles of professional ethics.

Our quality and standards are upheld by various monitoring methods such as internal inspections of assurance engagements and inspections of our system of quality control by various regulators.

Internal Inspections

Monitoring activities are classified as hot and cold. Hot monitoring is for live, on-going engagements whereas cold monitoring looks at a sample of completed engagements and events to evaluate whether firm policies and procedures were complied with.

Internal Quality Control Review (Cold Review)

The Internal Quality Control Reviews (IQCR) is an annual process to assess the quality of completed audit works and its compliance with the Firm's quality and risk management framework. Audit engagement partners are generally selected for a review on a three-year rotation basis. The review teams comprise of experienced partners, principals and managers from our Quality Monitoring Team. The Firm's IQCR program review individual engagements and assesses firm policies and procedures, whether professional standard and regulatory and legal requirements are adhered to and quality control system has been appropriately designed and effectively implemented. All findings will be included in the Root Cause Analysis to form part of the audit quality action plan. The review of the findings together with improvement suggestions will be communicated to the National Audit Practice Leader and Country CEO. The Head of Risk assisted by the Quality Management Team communicate the findings to the entire audit team through our internal training.

Quality Support Review (Hot Review)

Our Quality Support Review (QSR) begins in the year of 2021 as part of our efforts to improve the audit quality. This is a risk-based approach framework, whereby the Quality Monitoring Team will assess and evaluate the audit risks of each PIE audit and select the relevant audit documentations for review before the audit report is signed and issued. The review mainly involves evaluating the sufficiency and appropriateness of audit evidence obtained, judgements made in the audit procedures and conclusions given to reduce audit risk and to ensure that the auditor's opinion is appropriate. The Quality Monitoring Team is overseen by the Head of Risk.



Internal Inspections - IQCR

2022

Firm Level Controls Reviewed



With Findings

10

Audit Engagements Reviewed



With Findings

2021

Firm Level Controls Reviewed



With Findings

7

Audit Engagements Reviewed



With Findings

2020

Firm Level Controls Reviewed



With Findings

1

Audit Engagements Reviewed



With Findings

Internal Inspections - QSR

2022

Firm Level Controls Reviewed



With Findings

61

Audit Engagements Reviewed



With Findings

2021

Firm Level Controls Reviewed



With Findings

35

Audit Engagements Reviewed



With Findings

For our internal review result, our Quality Monitoring Team will rate each of the findings as material weakness, significant deficiencies or deficiencies according to the severity of the deficiencies:

Findings	Description
Deficiency	A finding which represents a need for minor improvements. Engagement or elements of quality management system with only deficiencies (or no findings) will not be categorized as 'fail'.
Significant deficiency	A significant deficiency is a finding of lesser severity. An engagement or Quality Management system with only significant deficiencies may lead to a 'pass' or 'fail' engagement, but this will depend on the impact of the significant deficiencies when aggregated. These types of findings can include situations where procedures performed in material areas were not appropriate or advice was not correct in all respects, but where there were sufficient alternative procedures or advice provided to adequately mitigate these deficiencies. It can also include situations where a specific quality management control was inadequate, but other controls mitigated this deficiency.
Material Weaknesses	A material weakness is a finding of the highest severity that should lead an engagement or an element of a quality management system to be categorised as a 'fail'. It is a finding which represents: (1) a material error in the report or advice, or (2) a failure to execute a procedure that was necessary to support the report or advice, or (3) a systematic failure in quality management.

Backdating working papers or signoffs in the audit tool to give a mis-leading impression of when the work was carried out, or a file was archived, is considered a serious breach of ethical standards and this type of finding is automatically rated as a material weakness.

After the Quality Monitoring Team has rated the findings accordingly, the Quality Monitoring Team will rate the file in overall as Pass, Improvement needed or Fail accordingly.

During our current year review, we have summaries the Top 5 common findings as below:

- 1 Planning materiality assessment at concluding stage
- 2 Independence declaration
- 3 Journal entries assessment
- 4 Audit of accounting estimates
- 5 Scoping, risk assessment and responses to risk at the assertion level

External Inspections



We maintain an open and constructive relationship with our reviewers and regulators. We believe the in-depth assessment on our Firm's quality control system and individual engagements gives us opportunities to continue to improve our quality.

Grant Thornton Assessment and Review (GTAR)

The GTAR inspection is part of GTIL's overall quality assurance monitoring procedures, and under this programme our Firm will be reviewed once in every three years. GTARs are conducted in accordance with the procedures developed by GTIL and covers audit, tax, and advisory services.

The GTAR inspection ensures that our Firm is meeting the profession's evolving standards with the quality and ethical values that stakeholders expect from Grant Thornton. GTARs include a review of our policies and procedures applicable to our practice in effect as of the specified date; a review of selected engagements conducted during the specified period; and a series of interviews of partners and staff on various matters as of the date of their inspection.

The review performed is also to ensure that our Firm's system of quality control provides reasonable assurance of:

- a) performing and reporting in conformity with applicable professional standards in all material respects and
- b) complying with GTIL's policies and procedures in all material respects

At the end of the review, GTIL expresses an opinion on the design of the system of quality control as well as the Firm's compliance with its system of quality control and GTIL's policies and procedures, along with a description of any systematic significant deficiencies or material weaknesses that have been identified. Timely remediation plan shall be submitted from our Firm to ensure that the items that were identified during the review is rectified immediately.

Our last inspection was done on audit services in 2020 virtually and remediation action has been completed in January 2022.

Malaysian Audit Oversight Board (AOB) Inspection

The Malaysian Audit Oversight Board (AOB) is established under Part IIIA of the Securities Commission Malaysia Act 1993 (SCMA) which came into force on 1 April 2010 to promote and develop an effective audit oversight framework and to promote confidence in the quality and reliability of audited financial statements in Malaysia.

The AOB inspection is carried out at the Firm and engagement review level. Firm review focuses on the review of our Firm's quality control systems and practices and the degree of compliance with the requirement of the ISQC 1 (for this year) while an engagement review aims to assess the degree of compliance with auditing and ethical standards of our audit engagement.

GTM is subject to annual inspection. Based on the 2022 inspection, two engagement files were reviewed, both passed with improvement needed. We have completed the remediation action plan in Q1 of 2023.

U.S. Public Company Accounting Oversight Board (PCAOB) Inspection

The PCAOB conducts periodic inspections of all registered public accounting Firms, including GTM. The PCAOB's process focuses on our system of quality control and inspections of a sampling of the U.S. Securities and Exchange Commission issuer engagements. Inspection reports include two major parts. Part I is public and includes findings related to specific inspection engagements. Part II contains observations regarding a Firm's overall quality control processes, including comments on thematic issues. Part II remains non-public unless the PCAOB deems the actions taken to address those observations were insufficient, in which case such aspects of Part II are made public.

Our first PCAOB public inspection was done in Year 2017 and we have completed the remediation action plan in Year 2019.

External Inspections - AOB

2022

Firm Level Controls
Reviewed



With Findings

2

Audit
Engagements
Reviewed



With Findings

2021

Firm Level Controls
Reviewed



With Findings

3

Audit
Engagements
Reviewed



With Findings

External Inspections - GTAR

2020

Firm Level Controls
Reviewed



With Findings

8

Audit
Engagements
Reviewed



With Findings

It was concluded that the quality control system of GTM has been suitably designed and implemented to provide reasonable assurance of conforming with applicable professional standards and GTIL's requirements in all material respects.

None of the findings of the external monitoring reviews required any modifications to audit opinions or restatements of financial statements.

Root Cause Analysis (“RCA”) and Remediation Actions

RCA is a process for identifying the causes of problems or events to prevent them from recurring in future. It can be carried out when deficiencies have been identified to help direct remedial actions. It can also be carried out on positive events, such as a good quality file to determine what led to this event.

An integral part of the audit practice objective is to produce significant long term performance improvement through an effective RCA process. An RCA identifies the most probable causes of desired and undesired outcomes with the goal of formulating and implementing corrective actions to mitigate the undesired outcomes or promote the desired outcomes. This process must be performed on a continuous basis in order to maximise effectiveness.

An RCA should be carried out as soon as practically possible whenever a deficiency is identified in a completed assurance engagement or wider quality control system. This should be applied during the following process:

- Internal Quality Control Review (IQCR) or equivalent
- Grant Thornton Assessment and Reviews (GTARs)
- external regulatory inspection of assurance engagements
- restatements of client’s audited financial statements
- any other situation the Firm deems necessary

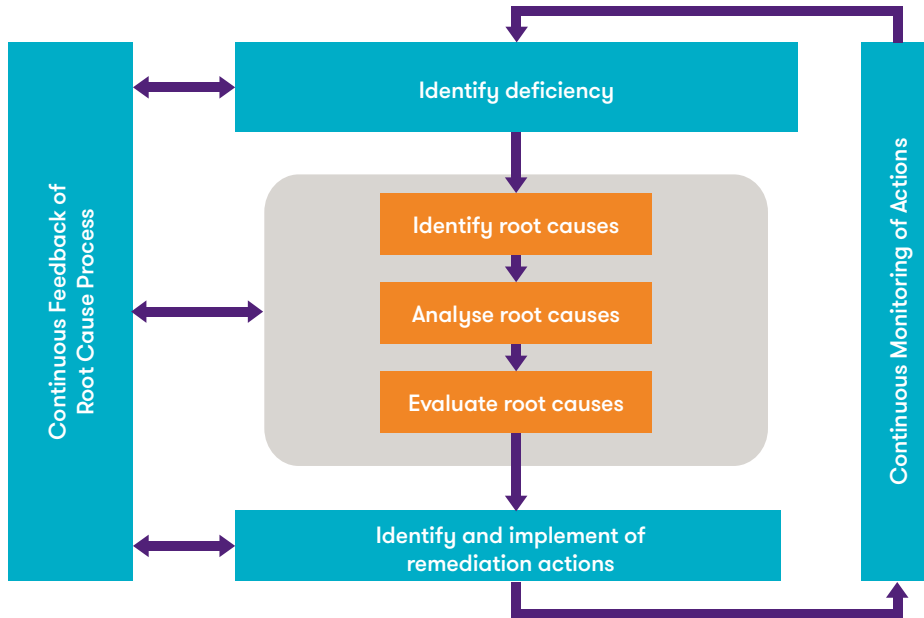
The RCA process should always be documented and this document should be retained in line with the Firm’s document retention policy.

Root causes should be identified by inspection teams or quality control personnel. They should be determined by someone independent of the engagement team to ensure the identification of root causes is objective and fair. The flowchart of the key steps in an RCA is as below.

Remediation Actions are designed based on the RCA, with the objectives to rectify the inspection findings and eliminate recurring findings. The Firm will communicate at least annually the results of the quality monitoring procedures to all levels of the auditors and during the audit management meeting. Information to be communicated include the following:

- a description of the inspections performed
- the conclusions drawn from the monitoring procedures
- remedial actions taken/to be taken to rectify the inspection findings

For IQCR performed, a copy of the completed IQCR report and remediation action plan will be uploaded to the GTIL IQCR SharePoint site.



GTM's Quality Monitoring Team have been analysing the root causes of 2022 inspection findings and these are the opportunities for greatest improvement:

- increase focus on quality in the culture
- better understanding of process for applying accounting and auditing standards
- improved partner and manager oversight
- investment in resources and/or improved allocation of resources
- involve of auditor experts in the audit process
- QSR (Hot Review)



Additional information

Appendix I

List of PIE Clients as at 31 December 2022

No.	Entity Name	No.	Entity Name
1.	ACME Holdings Berhad	42.	Mercury Industries Berhad
2.	Aemulus Holdings Berhad	43.	Mestron Holdings Berhad
3.	Agmo Holdings Berhad	44.	MMAG Holdings Berhad
4.	Astral Asia Berhad	45.	MTAG Group berhad
5.	ATTA Global Group Berhad	46.	Muda Holdings Berhad
6.	Aurelius Technologies Berhad	47.	myNEWS Holdings Berhad
7.	AYS Ventures Berhad	48.	MyTech Group Berhad
8.	Betamek Berhad	49.	OCB Berhad
9.	BV Land Holdings Berhad	50.	Orgabio Holdings Berhad
10.	CAB Cakaran Corporation Berhad	51.	Pantech Group Holdings Berhad
11.	Chin Well Holdings Berhad	52.	Parkson Holdings Berhad
12.	Citra Nusa Holdings Berhad	53.	Pasdec Holdings Berhad
13.	Compugates Holdings Berhad	54.	Pekat Group Berhad
14.	Coraza Integrated Technology Berhad	55.	Pentamaster Corporation Bhd
15.	Divfex Berhad	56.	Pestech International Berhad
16.	D'nonce Technology Berhad	57.	Pinehill Pacific Berhad
17.	Dynaciate Group Berhad	58.	PLB Engineering Berhad
18.	Enest Group Berhad	59.	PT Resources Holdings Berhad
19.	Eng Kah Corporation Berhad	60.	Public Packages Holdings Bhd
20.	Eurospan Holdings Berhad	61.	Puncak Niaga Holdings Berhad
21.	Flexidynamic Holdings Berhad	62.	PWF Corporation Berhad
22.	G3 Global Berhad	63.	Rohas Tecnic Berhad
23.	George Kent Malaysia Berhad	64.	Saudee Group Bhd
24.	GILB Holdings Berhad	65.	SCGM Berhad
25.	Grand Central Enterprises Berhad	66.	Scope Industries Berhad
26.	Greenyfield Berhad	67.	Seal Incorporated Berhad
27.	Harn Len Corporation Berhad	68.	Sealink International Berhad
28.	Heng Huat Resources Group Berhad	69.	Sentoria Group Berhad
29.	Hong Seng Consolidated Berhad	70.	SFP Tech Holdings Berhad
30.	Inari Amertron Berhad	71.	Solution Group Berhad
31.	Insas Bhd	72.	Sunzen Biotech Berhad
32.	Jentayu Sustainables Berhad	73.	T7 Global Berhad
33.	Jerasia Capital Berhad	74.	TCS Group Holdings Berhad
34.	JHM Consolidation Berhad	75.	Techbond Group Berhad
35.	KPS Consortium Berhad	76.	Tex Cycle Technology (M) Berhad
36.	Kumpulan H&L High-Tech Berhad	77.	Topvision Eye Specialist Berhad
37.	Lotus KFM Berhad	78.	Transocean Holdings Berhad
38.	Luster Industries Berhad	79.	UOA Development Bhd
39.	Magni-Tech Industries Berhad	80.	UOA Real Estate Investment Trust
40.	Maxim Global Berhad	81.	Versatile Creative Berhad
41.	Mclean Technologies Berhad	82.	Widad Group Berhad

Appendix II

Participation in Professional Organisations as at 31 December 2022

Dato' NK Jasani Chairman	<ul style="list-style-type: none"> Member of Insolvency Practice Committee of the Malaysian Institute of Accountants (MIA)
Mr Kishan Jasani Country CEO	<ul style="list-style-type: none"> Vice Chairman of the Institute of Chartered Accountants in England and Wales (ICAEW) Members Society Malaysia Member of the Malaysian Institute of Accountants (MIA)'s Capital Markets Advisory Committee
Mr Hooi Kok Mun National Audit Practice Leader	<ul style="list-style-type: none"> Member of the Association of Chartered Certified Accountants (ACCA) Malaysia Advisory Committee Member of the Audit License Interview Panel representing the Malaysian Institute of Accountants (MIA)
Mr Desmond Tan Senior Partner	<ul style="list-style-type: none"> Alternate Chairman of the Malaysian Institute of Certified Public Accountants (MICPA)'s Membership Affairs Committee Council Member of the Malaysian Institute of Certified Public Accountants (MICPA) Member of the Investigation Committee of the Malaysian Institute of Certified Public Accountants (MICPA) Member of the Public Practice Committee of the Malaysian Institute of Certified Public Accountants (MICPA) Member of the Financial Statement Review Committee of the Malaysian Institute of Certified Public Accountants (MICPA)
Mr Wong Wen Tak Managing Partner, Johor	<ul style="list-style-type: none"> Member of the Malaysian Institute of Accountants (MIA)'s Johor Regional Committee Member of the Malaysian Institute of Accountants (MIA)'s Young Professionals Working Group
Mr Alan Chung Senior Executive Director	<ul style="list-style-type: none"> Council Member of the Chartered Tax Institute of Malaysia (CTIM) Divisional Councillor for CPA Australia's Malaysian Divisional Council Chairperson of the Chartered Tax Institute of Malaysia (CTIM)'s Editorial Committee Member of the Chartered Tax Institute of Malaysia (CTIM)'s Technical Committee-Indirect Taxation Member of the Chartered Tax Institute of Malaysia (CTIM)'s Technical Committee Direct Taxation (II) Member of the Chartered Tax Institute of Malaysia (CTIM)'s Membership Committee Chairperson of CPA Australia's Malaysian Division Council's Tax Committee
Mr Daniel Woo Senior Executive Director	<ul style="list-style-type: none"> Member of the Examination & Education Committee of the Chartered Tax Institute of Malaysia (CTIM) Chief Examiner and Examiner for the Advanced Taxation Paper of the Chartered Tax Institute of Malaysia (CTIM) professional final-level examination Member of the Chartered Tax Institute of Malaysia (CTIM)'s Technical Committee-Direct Taxation
Mr Chow Chee Yen Senior Executive Director	<ul style="list-style-type: none"> President of the Chartered Tax Institute of Malaysia (CTIM) Member of the Continuing Professional Development Committee of the Chartered Tax Institute Malaysia (CTIM) Member of the Chartered Tax Institute of Malaysia (CTIM)'s Technical Committee-Direct Taxation
Dr. Jim Lai Senior Executive Director	<ul style="list-style-type: none"> Member of the Malaysian Institute of Accountants (MIA)'s Valuation Committee
Mr Kho Kim Eng Partner	<ul style="list-style-type: none"> Member of the Malaysian Institute of Accountants (MIA)'s Auditing and Assurance Standards Board
Ms Silvia Tan Partner	<ul style="list-style-type: none"> Member of the Malaysian Institute of Accountants (MIA)'s Financial Statement Review Committee (FSRC) Member of the Malaysian Institute of Certified Public Accountants (MICPA)'s Sustainability and Integrated Reporting Task Force Member of the Malaysian Institute of Certified Public Accountants (MICPA)'s Audit Guide for Practitioners and Illustrative Audit Working Papers Task Force
Mr Alex Kingsley Chua Partner	<ul style="list-style-type: none"> Certified Practising Accountant Australia (CPA) Young Professional Advisor Committee

Past Participations in Professional Organisations

Dato' NK Jasani Chairman	<ul style="list-style-type: none"> Former Vice President of the Malaysian Institute of Accountants (MIA) from 2017-2018 Advisor and the Founder Chairman of the Institute of Chartered Accountants in England and Wales (ICAEW) Malaysia
Ms Seah Siew Yun National Tax Practice Leader	<ul style="list-style-type: none"> Former President of the Chartered Tax Institute of Malaysia (CTIM) 2017-2019
Mr Hooi Kok Mun National Audit Practice Leader	<ul style="list-style-type: none"> Former member of Audit and Assurance Standards Board and Issue Committee of the Malaysian Accounting Standards Board
Mr Desmond Tan Senior Partner	<ul style="list-style-type: none"> Alternate Chairman of the Malaysian Institute of Certified Public Accountants (MICPA)'s Membership Affairs Committee Council Member of the Malaysian Institute of Certified Public Accountants (MICPA) Member of the Investigation Committee of the Malaysian Institute of Certified Public Accountants (MICPA) Member of the Public Practice Committee of the Malaysian Institute of Certified Public Accountants (MICPA) Member of the Financial Statement Review Committee of the Malaysian Institute of Certified Public Accountants (MICPA)
Mr Kho Kim Eng Partner	<ul style="list-style-type: none"> Former member of the Malaysian Institute of Accountants (MIA)'s Financial Reporting Standards Implementation Committee (FRSIC)



Appendix III

Quality Objectives	Quality Risk	Response
<p>Engagement Performance</p> <ul style="list-style-type: none"> The nature, timing and extent of direction and supervision of engagement team and review of the work performed is appropriate based on the nature and circumstances of the engagements and the resources assigned / made available to the engagement teams, and the work performed by less experienced engagement team members is directed, supervised and reviewed by more experienced engagement team members. Engagement teams exercise appropriate professional judgment and, when applicable to the type of engagement, professional scepticism. Consultation on difficult or contentious matters is undertaken and the conclusions agreed are implemented. 	<ul style="list-style-type: none"> Inconsistent or contradictory information / audit evidence is unresolved due to a lack of professional scepticism at the engagement level Difficult or contentious engagement performance matter receives inadequate responses due to insufficient experience and knowledge of engagement team 	<ul style="list-style-type: none"> The engagement partner is responsible for clear, consistent and effective actions being taken that reflect the firm's commitment to quality. Promote open and robust communication within the engagement team to support the team members to raise issue without fear Emphasize on the importance of exercising professional scepticism Technical consultation shall be performed and only individuals having appropriate knowledge, seniority and experience shall provide the consultation. Consultation conclusion is monitored by the firm's quality management function.
<p>Monitoring and Remediation</p> <ul style="list-style-type: none"> The firm shall establish a monitoring and remediation process to: <ol style="list-style-type: none"> provide relevant, reliable and timely information about the design, implementation and operation of the system of quality management take appropriate actions to respond to identified deficiencies such that deficiencies are remediated on a timely basis. The firm shall design and perform monitoring activities to provide a basis for the identification of deficiencies. 	<ul style="list-style-type: none"> Monitoring process does not detect a deficiency including those identified by external inspections 	<ul style="list-style-type: none"> Utilise review tool kit issued by GTIL Global quality team and ensure latest version is used. Only personnel with appropriate skills and competency and sufficient time to fulfil the role Training to be provided to new engagement quality reviewers.

Quality Objectives**Quality Risk****Response**

Resources

- Personnel demonstrate a commitment to quality through their actions and behaviours and are held accountable or recognised through timely evaluations, compensation, promotion and other incentives.

- Staff and partners remuneration and promotion are not linked to performance evaluation to reflect a balance between quality and other elements of the business strategy.

- Establish policies or procedures for receiving, investigating and resolving complains and allegations about failures to perform work in accordance with professional standards and applicable legal and regulatory requirements, or non-compliance with the firm's policies and procedure established in accordance with ISQM 1.
- Establish a requirement of appraisal for all partners and staff which include career progress, training needs workload and involvement level in engagements.
- Partner's appraisal form shall demonstrate a link between advancement and partner remuneration to quality and ethics.
- Exercising quality is set as a requirement for promotion to leadership
- Ethic hotline is provided for reporting conduct that may be illegal, unethical, in violation of professional standards and GTIL global policies.

Information and Communication

- Appropriate technological resources are obtained or developed, implemented, maintained and used to enable the operation of the firm's system of quality management and the performance of engagements

- Inadequate protection on access to data may result in breaches in confidentiality of information contained in the data, destruction of data or improper changes to data.

- Maintains a cybersecurity plan which is regularly discussed with the firm's leadership and provided to GTIL on annual basis so that GTIL is able to assess the cybersecurity risk within the GT network.
- Monitors compliance with other cybersecurity requirements and reports on its compliance with the minimum standards annually.
- Provide cybersecurity training for all employee annually
- Use of password for the access of electronic documentation
- Parodically reviews user logs in the IT environment to assess whether only authorised user access data.
- Investigate and report unusual logs to appropriate personnel.

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