




Transparency Report

31 December 2022

Audit / Tax / Advisory

Smart decisions. Lasting value.



Sustainable growth begins with making smart decisions that create lasting value.

Our vision is to be THE FIRM to work for and with.

We strive to go beyond the norm in providing personalized and innovative solutions whilst building an inclusive, sustainable and resilient future for our clients and our people.

And as they grow, so do we.

Contents

1. Foreword by the Managing Partner	4
--	----------

2. About Crowe Malaysia	5
2.1 The Firm's structure	
2.2 Governance	
2.3 Disclosure on partners with equity in the partnership	
2.4 Crowe Global Network	

3. Our Quality Control System	11
3.1 Leadership and Accountability	
3.2 Relevant Ethical Requirements	
3.3 Acceptance and Continuance of Client Relationships and Specific Engagements	
3.4 Human Resources	
3.5 Engagement Performance	
3.6 Monitoring	
3.7 Implementation of ISQM 1	

4. Statistics Relating To Indicators of Audit Quality	26
4.1 Audit Partner Workload	
4.2 Auditor Independence	
4.3 Capacity and Competence of the Audit Practice	
4.4 Audit Engagement Supervision	
4.5 Audit Firm's Investment to Uphold Audit Quality	
4.6 Internal and External Monitoring Reviews	

5. Compliance With Legal Requirements	44
5.1 Anti-Money Laundering	
5.2 Anti-Bribery and Anti-Corruption	
5.3 Data Privacy	

6. Appendix	46
6.1 The Firm's Structure	
6.2 The Firm's Equity Structure	
6.3 List of Public Interest Entities Audited	
6.4 Crowe Global Network Firms	

Foreword



Poon Yew Hoe
Managing Partner
Crowe Malaysia

In the last couple of years, it has become apparent that resilience, flexibility, and transformation are more crucial than ever. At Crowe, we remain committed to enriching the value for our stakeholders, including our clients, employees and the communities we operate in.

As we continue to adapt to the ever-changing industry landscape, we believe that our role as a trusted audit and accounting firm is more important than ever, and we are committed to providing our clients with the highest quality of service, transparency and governance.

SERVICE QUALITY AND TRANSPARENCY

At Crowe, service quality and transparency are the foundations of our success. We are proud of our commitment to delivering exceptional service to our clients, guided by the highest standards of ethics, professionalism and expertise. We have implemented rigorous quality control measures to ensure that our work meets the highest standards of accuracy, completeness and relevance. We also recognize the importance of transparency in building trust and confidence with our clients, stakeholders and the wider community which is why we are committed to providing clear and accurate information about our activities, policies and performance through our transparency report and other communication channels.

GOOD GOVERNANCE

In addition, we have well-established strong governance frameworks that promote accountability, integrity and responsible decision-making at all levels of our organization. We have also implemented policies and procedures to ensure compliance with relevant laws, regulations and ethical standards, and to prevent conflicts of interest, fraud and other misconduct.

COMMITMENT TO SUSTAINABILITY

As sustainability and ESG considerations become increasingly important, we are also reaffirming our commitment to integrating ESG considerations into our business strategy and operations, as we work to reduce our environmental footprint, promote social responsibility and enhance governance practices. We believe that our commitment to sustainability and ESG will enable us to better serve our clients, attract and retain top talent and contribute to a more sustainable and equitable future.

Crowe Malaysia At a Glance



14 offices nationwide



Auditors for 100+ listed companies



1,200+ employees



50+ dedicated partners



2.0 About Crowe Malaysia

Crowe Malaysia PLT (201906000005 & AF 1018) is a limited liability partnership (“LLP”) registered in Malaysia. As a member firm of Crowe Global, a top 10 global accounting network, we are associated with over 200 independent accounting and advisory firms. With the leverage of our international network in 145 countries, we help our clients to reach their growth potential as well as extend their global reach.

We have a strong and dynamic team of partners, principals and directors managing a portfolio of companies that includes mid to large private, publicly-listed and multinational companies across a wide range of industries. Some of these services are provided through the respective 14 offices. We help clients make smart decisions today that create lasting value for tomorrow.

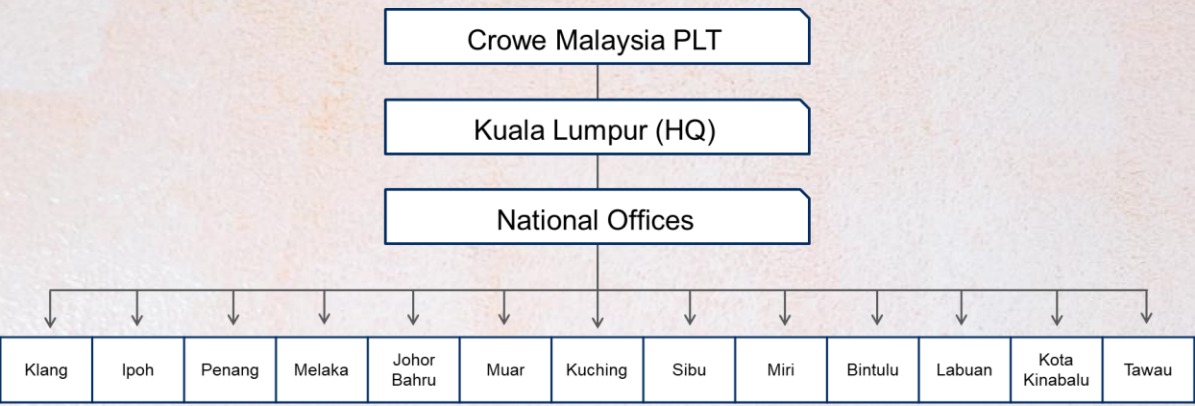
Crowe Malaysia PLT is registered with Malaysia’s Audit Oversight Board (“AOB”) and the Public Company Accounting Oversight Board (“PCAOB”) in the United States

Since 2006, Crowe Malaysia has been among the top 3 accounting firms involved in the highest number of initial public offerings (IPOs).¹



¹ [Bursa Malaysia's website](#)

2.1 The Firm's Structure*



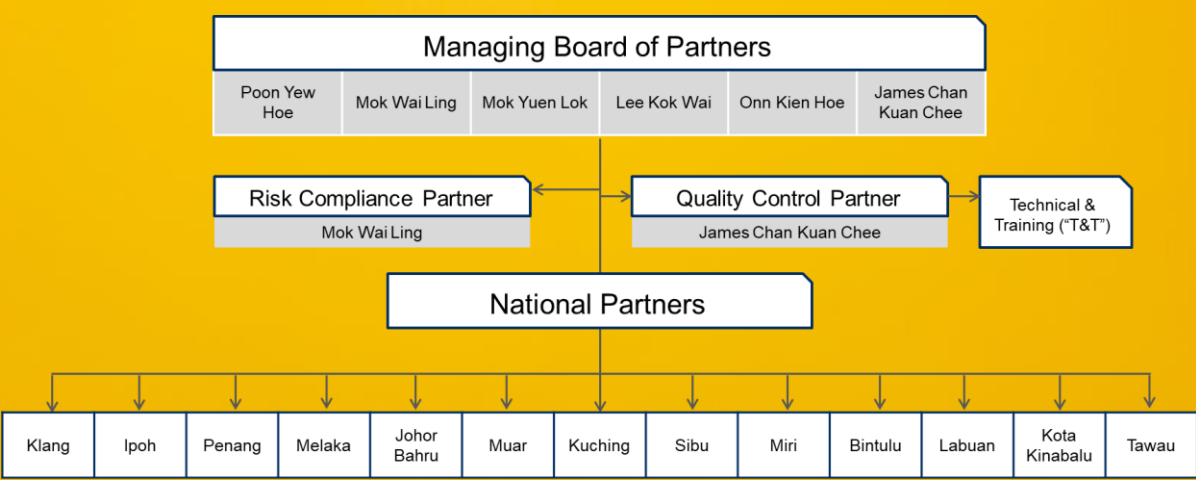
* Further details about the Firm's structure of Crowe Malaysia can be found on page 46.

2.2 Governance

The Managing Board of Partners (“MBP”) is responsible for the governance of Crowe Malaysia PLT. The MBP is charged with overseeing the activities of the Firm, including setting the overall business strategies and policies, risk management policy and procedures as well as monitoring the overall Firm branding.

Mr. Lee Kok Wai is appointed as the Head of Audit of the Kuala Lumpur office to focus on ensuring a consistently high-quality service is delivered in the audit practice while other offices are monitored and overseen by the MBP directly.

On engagements, the Firm holds the Engagement Partner (“EP”) and Engagement Quality Control Reviewer (“EQCR”) responsible for the proper review of the engagements.



The Managing Board of Partners



2.3 Disclosure on Partners With Equity In The Partnership

Details of the respective offices’ equity structure can be found below:

Offices	No. of Partners with Range of Equity Shares Held (%)			
	1% - 10%	11% - 20%	41% - 50%	91% - 100%
Kuala Lumpur, Klang & Ipoh	9	3	-	-
Muar	-	-	2	-
Johor Bahru & Melaka	1	3	1	-
Penang	-	-	-	1
Sarawak (Kuching, Sibul, Miri & Bintulu)	5	4	-	-
Labuan	-	-	-	1
Kota Kinabalu	-	-	-	1
Tawau	-	-	-	1

2.4 The Crowe Global Network

Crowe Global is one of the leading global accounting networks with over 200 independent accounting and advisory firms in more than 145 countries.

Crowe Global's member firms are committed to impeccable quality service, highly integrated service delivery processes and a common set of core values that guide decisions daily. Each firm is well established as a leader in its national business community and is staffed by nationals, thereby providing a knowledge of local laws and customs which is important to clients undertaking new ventures or expanding into other countries. Crowe Global member firms are known for their personal service to privately and publicly held businesses in all sectors and have built an international reputation in the areas of audit, tax and advisory services.

LEGAL AND CONSTITUTIONAL STRUCTURE

Crowe Global is an international network of independently owned and managed accounting and advisory firms that may be licensed to use the "Crowe" brand in connection with the provision of accounting, auditing, tax, advisory and other professional services to their clients.

Crowe Global is commercially organized under the laws of Switzerland as a Verein (Association) and is a non-practicing entity and does not provide professional services in its own right.

Crowe Global is wholly owned by its member firms. Crowe Global operates through a wholly-owned subsidiary incorporated under the laws of the State of New York in the United States of America where it is headquartered.

Crowe Global is considered a "network" as defined under the Code of Ethics of the International Ethics Standards Board for Accountants (IESBA) and by virtue of its membership of the Forum of Firms.



Crowe Global produces its own Transparency Report that presents the network's commitment to global standards. It is available at www.crowe.com/global

2.4 The Crowe Global Network (cont.)

LEADERSHIP, GOVERNANCE AND MANAGEMENT

The Board of Directors (“Board”) is responsible for the governance of Crowe Global. The Board is charged with overseeing the activities of the network, including setting strategy and policy. With the exception of the Chief Executive Officer, the Board is made up of individuals representing member firms in Crowe Global.

The Management Committee operates according to the responsibilities and authority that is delegated to it by the Board and oversees the daily management of the network’s operations. It consists of the Chief Executive Officer, Chief Operating Officer, the network’s regional executives, the network’s International Accounting & Audit and International Tax Directors.

List of Audit Firms

A list of member firms that provide audit services and their countries can be found on page 49.

Revenue from Audit Services

The revenue from audit services provided by network audit firms was USD1.81 billion in the year 2022.*

** IAB World Survey 2023, using 2022 fee data.*



3. Our Quality Control System

A COMMITMENT TO QUALITY

The Firm's Quality Control System ("QCS") for our Assurance practice is based on International Standards on Quality Control 1("ISQC 1") regarding quality control for Firms that perform audits and reviews of financial statements and other assurance and related services engagements and ISA 220 regarding quality control for an audit of financial statements.

ISQC 1 applies to firms that perform audits of financial statements, report in connection with investment circulars and provide other assurance services where they relate to activities that are reported in the public domain and are therefore in the public interest.

The objective of ISQC 1 is for the firm to establish and maintain a system of quality control to provide it with reasonable assurance that:-

- the firm and its personnel comply with professional standards and regulatory and legal requirements; and
- reports issued by the firm or engagement partners are appropriate in the circumstances

The Firm's QCS is based on the six elements of quality control set out in ISQC 1, which are:-

- Leadership responsibilities for quality within the firm;
- Relevant ethical requirements;
- Acceptance and continuance of client relationships and specific engagements;
- Human resources;
- Engagement performance; and
- Monitoring

The Sections below describe how the Firm's QCS incorporates each of the above elements. Certain elements of the firm's internal quality control systems are reviewed by our regulator. The policies and procedures that form our QCS have been documented, and there is a monitoring regime to enable the leadership of our Firm to review the extent to which the policies and procedures are operating effectively. We perform an internal review of the design and operating effectiveness of our QCS regularly. In addition, updates and changes to the Firm's QCS, as well as points needing reinforcement, are communicated to partners and staff via mandatory training and other technical communications.



3.1 Leadership & Accountability

The Firm's policies and procedures have been designed to promote an internal culture based on the recognition that quality is essential in performing engagements. Such policies and procedures require the Firm's MBP to assume ultimate responsibility for the Firm's QCS and such that any person or persons assigned operational responsibility for the Firm's QCS by the Firm's MBP have sufficient and appropriate experience and ability, and the necessary authority, to assume that responsibility.

The Firm's detailed quality control procedures are set out in our Quality Control Policies and Procedures Manual on Auditing and Related Services. The policies and procedures are embedded as part of the Firm's day-to-day activities. The policies and procedures that form our QCS have been documented and there is a monitoring regime to enable the leadership of our firm to review the extent to which the policies and procedures are operating effectively.



TONE AT THE TOP

The Firm recognises that quality is essential in performing engagements that comply with professional standards and applicable legal and regulatory requirements and issues reports that are appropriate in the circumstances.

The Firm's leadership is to promote an internal culture based on quality by way of, amongst others:

- (a) Establishing policies and procedures that address performance evaluation, compensation and promotion with regard to its personnel, in order to demonstrate the Firm's overriding commitment to quality;
- (b) Assignment of management responsibilities so that commercial considerations do not override the quality of work performed; and
- (c) Provision of sufficient resources for the development, documentation and support of its quality control policies and procedures.

The Firm has a commitment to a culture of quality, that clear, consistent and frequent actions and messages emphasising quality are made through a variety of mechanisms, such as:

- Internal communications, mainly via emails by the T&T Department and Corporate Communications Department
- Internal meetings, e.g., annual strategic meetings, management meetings, department meetings, national partner meetings, etc
- Appropriate compulsory training
- Adequate controls and checks in place to minimise the likelihood of non-compliance
- Identification of incidents of non-adherence to the quality control policies and procedures and appropriate corrective action taken.

3.1 Leadership & Accountability (cont.)

GOVERNANCE STRUCTURE

As the Firm has multi-location offices all over Malaysia, the Firm has a centralised responsibility for the system of quality control in the Kuala Lumpur Office.

The MBP assumes the ultimate responsibility for the Firm's overall system of quality control while the respective office's partners assume the responsibility for the respective office's system of quality control.

The Firm's MBP also assigns the operational responsibilities for the Firm's QCS and Risk Management to a Quality Control Partner and a Risk Compliance Partner respectively. Both of them will demonstrate the following criteria:

- Sufficient and appropriate experience and ability – must be a licensed audit partner with at least 10 years of experience
- Necessary authority – power and authority is given by the MBP to the Quality Control Partner and Risk Compliance Partner to implement the quality control and risk management policies and procedures for the Firm respectively
- Reporting responsibilities to the MBP on a regular basis

On engagements, the Firm holds the Engagement Partner and Engagement Quality Control Reviewer responsible for the proper review of the engagements.



PARTNER'S APPRAISAL

A formal partner's performance appraisal shall be conducted on an annual basis and documented in an appraisal form to emphasize quality as their key performance indicator by taking into account the results of the internal and external monitoring reviews.

Failure to maintain quality work can result in action to be taken against the partner concerned by the MBP, based on the severity of the sub-standard work.

3.2 Relevant Ethical Requirements

Ensuring the integrity of our work will not only help us to maintain our clients' trust and confidence but will also allow us to advance more ethical and sustainable practices, whilst fostering social and economic development in the communities where we operate.

The Firm establishes policies and procedures designed to provide it with reasonable assurance that the Firm and its personnel comply with relevant ethical requirements.

The Firm also establishes policies and procedures designed to provide it with reasonable assurance that the Firm, its personnel and, where applicable, others subject to independence requirements (including network firm personnel), maintain independence where required by the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA By-Laws") and/or the Code of Ethics for Professional Accountants of the International Federation of Accountants ("IFAC Code"). Such policies and procedures should enable the Firm to:-

- a) communicate its independence requirements to its personnel and, where applicable, others subject to them; and
- b) identify and evaluate circumstances and relationships that create threats to independence, and take appropriate action to eliminate those threats or reduce them to an acceptable level by applying safeguards, or, if considered appropriate, to withdraw from the engagement.

The Firm has adopted the MIA By-Laws for local engagements and/or the IFAC Code for international engagements. Where the provisions are found to be more stringent in either rule, the stricter provision shall prevail.

3.2 Relevant Ethical Requirements (cont.)

INDEPENDENCE AND ETHICS POLICIES

Independence shall be maintained throughout the engagement period for all engagements. If threats to independence cannot be eliminated or reduced to an acceptable level by applying appropriate safeguards, the Firm shall eliminate the activity, interest or relationship that is creating the threat, or refuse to accept or continue the engagement (where withdrawal is not possible).

Instances of non-compliance with the independence requirements shall be reported to the Managing Partner/MBP.

All personnel are encouraged to report to the Quality Control Partner (or the T&T team members) promptly any potential independence threats and breaches of independence requirements identified or a new situation that could pose a threat to independence in the intervening period as soon as they become aware of that situation. Staff are aware that failure to adhere to ethical principles, or failure to comply with the Firm's policies and procedures, may result in disciplinary action.

We do not permit any of our partners or employees to hold financial interests in audit clients. All staff and their immediate family members are given 6 months to dispose of the financial interests that they hold in Crowe Malaysia PLT's audit clients, which are listed in the List of Prohibited Investments. This includes transnational clients who are listed overseas and publicly listed holding companies or publicly listed subsidiaries that are not audited by the Firm. Prohibited financial interest includes any direct investments in or loans to/from clients, as well as material indirect interests in clients through intermediary entities as defined in the Companies Act 2016.





3.2 Relevant Ethical Requirements (cont.)

INDEPENDENCE AND ETHICS POLICIES (CONT.)

A list of prohibited investments is maintained, which identifies all listed companies that we act for and whether they are audit clients. We also notify Crowe Global of our public interest entity (“PIE”) clients.

Conflict and independence checks are carried out on new and prospective clients according to independence requirements and the nature of the risk. If appropriate, for example for multinational clients, these will extend to firms in the Crowe Global network.

All new employees complete a statement of independence and confidentiality, which incorporates a ‘fit and proper’ form, on joining the firm. Each partner and employee should also make an annual declaration by completing a similar form on an annual basis. This includes the declaration of their financial interests and that of their immediate family members in the clients of the Firm which shares are publicly listed, their other work engagements and the employment details of their immediate family members. Any declarations on those forms that may indicate an issue regarding independence are reviewed and, where appropriate, suitable action is taken.

All members of the engagement team performing audit and audit-related services for a public interest entity must make a declaration of professional conduct and ethics before the commencement of the engagement on the prohibition of their and their immediate family members’ financial interests in the public interest entity and employment and other relationships.

The engagement team consists of all individuals participating in the engagement, including those who perform engagement quality control reviews. The team includes the engagement partner, the engagement quality control reviewer, all employees and contractors retained by the Firm who participate in the engagement, irrespective of their functional classification.

3.2 Relevant Ethical Requirements (cont.)

AUDITS OF PUBLIC INTEREST ENTITIES (PIE)

In respect of an audit of a public interest entity, an individual shall not act in any of the following roles, or a combination of such roles, for a period of more than seven cumulative years (the “time-on” period):

- a) The engagement partner;
- b) The individual appointed as responsible for the engagement quality control review (EQCR); or
- c) Any other key audit partner role.

After the time-on period, the individual shall serve a “cooling-off” period.

Below is the Firm’s existing Partner Rotation Rule and the Malaysian Institute of Accountants (“MIA”) transitional provision shall apply accordingly:


Transition Period (15 Dec 2018 to pre 15 Dec 2023)		
Roles	Time-on Period (years)	Cooling-off Period (years)
Engagement Partner	7	3
EQCR Partner	7	3
Other Key Audit Partner	7	2

PROVISION OF NON-ASSURANCE SERVICES TO AUDIT CLIENTS

Before the Firm accepts an engagement to provide a non-assurance service to an audit client, a determination shall be made as to whether providing such a service would create a threat to independence. In evaluating the significance of any threat created by a particular non-assurance service, consideration shall be given to any threat that the audit team has reason to believe is created by providing other related non-assurance services. If a threat is created that cannot be reduced to an acceptable level by the application of safeguards, the non-assurance service shall not be provided.

The Firm requires a conflict of interest check via email to be sent out to senior management of the Firm before acceptance of any potential new clients and potential engagements with existing clients for public interest entities and any other sensitive clients determined by the prospective partner/director. The conflict of interest check shall extend to the global network of firms for any overseas potential clients or engagements. For prospective engagement service to be rendered to Crowe Malaysia PLT’s audit client, the prospective engagement team shall obtain consent from the Audit Engagement Partner before the acceptance.

Further evaluation of the provision of any non-assurance services to an audit client shall be evaluated with reference to the clauses stated in the MIA By-Laws and/or IFAC Code.



3.3. Client Relationships & Specific Engagements

CLIENT ACCEPTANCE AND RETENTION

The most important principle to client acceptance and retention is that a prospective/existing client should only be accepted/retained when it has been clearly established that we have the necessary expertise to serve the client, are independent and that the client is worthy of association with Crowe Malaysia PLT and its network firms. Equally important is the conduct of a risk assessment on the prospective client or an existing client in which a rating of high risk has been attached to it. Clients with several of the attributes in the risk management rating form for client acceptance and retention are indications of one that is high risk.

The Firm has established its policies and procedures that address the acceptance and continuance of client relationships and specific engagements, designed to provide it with reasonable assurance that it will only undertake or continue relationships and engagements where it has:

- a) established that the prospective or existing client and its senior officers are of good reputation by conducting background search, inquiries and interviews;
- b) ascertained the client's motivation for proposing the engagement and ensure that we have the resources and specific expertise needed to carry out the work, giving full attention to our need to fully understand the client's business;
- c) verified that all conditions are met with respect to independence standards and free from conflicts of interest as set out in the MIA By-Laws and/or IFAC Code; and
- d) ascertained the reasons for the resignation of the existing auditors and report to the Registrar of Companies in accordance with the Companies Act 2016.

3.3. Client Relationships & Specific Engagements (cont.)

CLIENT ACCEPTANCE AND RETENTION (CONT.)

For the prospective engagement with an existing client, the prospective engagement team is required to complete the “Competency Statement”. For prospective engagement service to be rendered to Crowe Malaysia PLT’s audit client, the prospective engagement team shall obtain consent from the Audit Engagement Partner before the acceptance.

For an existing client who is rated as high risk, the continuance or non-continuance of the engagement shall be determined by the Engagement Partner and concurred by the Risk Compliance Partner.

The Anti-Money Laundering and Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (“AMLA”) Policy sets out the relevant requirements on anti-money laundering and countering the financing of terrorism required by Bank Negara Malaysia that are applicable to Crowe Malaysia PLT and its network firms. The AMLA policy defines the objectives and procedures to be adhered to in conducting customer due diligence procedures when carrying out the Gazetted Activities for the clients, so as to protect our business from being abused by money launderers/terrorist financiers.



RISK MANAGEMENT

Given the litigious nature of society, we must proactively identify, control and wherever possible minimise the risks of litigation. A coherent application of risk management guidelines should minimise our exposure to claims, thus reducing the impact on future cost and the availability of professional indemnity insurance and reducing the financial losses incurred by Crowe Malaysia PLT and its network firms in relation to such claims, whether due to the settlements themselves, the legal fees paid or the time cost incurred. Before considering clients for acceptance or retention, it is recommended that both management and engagement characteristics be evaluated.



3.4 Human Resources

EMPLOYMENT POLICY

The personnel employed by the Firm must demonstrate academic capability, possess emotional stability, maturity, integrity, and leadership qualities, be competent and have an aptitude for the profession, as laid out in the Firm's Recruitment Policy.

PROFESSIONAL DEVELOPMENT

Training policy

The Firm is committed to maintain the highest possible standards of technical competence through a continuing professional development programme. Training courses are held to emphasise accounting and auditing standards as well as specialised technical knowledge. Staff are also trained on soft skills through a people development program. The formal training is also complemented by on-the-job training where more senior staff is assigned to closely supervise work performed by junior staff. Continuing professional development is also provided through rotation of assignments so that individuals are given varied work to perform in terms of size of engagements, types of industries and nature of work. As the staff progress, they will be assigned additional functions and greater responsibilities.

Staff are encouraged to participate in external continuing professional development programs, including self-study courses, serve on professional committees, participate in other professional activities and engage in self-development programmes.

Professional staff are required to attend at least 40 hours of training annually which can be achieved by attending internal and/or external training programmes.

All the Continuing Professional Development ("CPD") hours granted for the professional staff will be recorded and maintained in the Staff Training Records on a yearly basis.

3.4 Human Resources (cont.)

TECHNICAL RESOURCES

The Firm ensures that staff are kept up to date with current developments in the profession by:

- a) Issuing of Technical Updates and other email updates to staff;
 - b) Distribution of pronouncements on relevant regulations and statutory requirements;
 - c) Encouraging staff participation in internal and external Technical Committee, Discussion Groups and Working Groups; and
 - d) Setting up a well-equipped Learning Centre and the Learning Portal.
-

ASSIGNMENT OF ENGAGEMENT PARTNERS

Each engagement is assigned to an Engagement Partner and the following policies and procedures are adhered to:

- a) The identity and role of the engagement partner are communicated to key members of client management and those charged with governance;
- b) The engagement partner has the appropriate competence, capabilities and authority to perform the role; and
- c) The responsibilities of the engagement partner are clearly defined and communicated to the partner.

Engagement partners' workload and availability are regularly monitored by the Firm to enable the engagement partners to have sufficient time to adequately discharge their responsibilities.

The Firm's policy is to assign audit work to staff that have the degree of technical training and proficiency required in the circumstances to perform the engagements in accordance with professional standards and applicable legal and regulatory requirements and enable the Firm or the engagement partners to issue reports that are appropriate in the circumstances.

STAFF PROGRESSION

Staff are evaluated regularly on their performance. The purposes of the evaluation are to:

- a) Determine the efficiency and effectiveness of staff;
- b) Encourage retention of quality staff and the most effective use of their skills;
- c) Determine training needs; and
- d) Determine the compensation, promotion and recognition given.

The Firm's performance evaluation procedures and the relevant performance evaluation forms are set out in the Firm's Promotion Policy.

3.5 Engagement Performance

As a member of Crowe Global, Crowe Malaysia PLT has access to and uses the Crowe Global Audit Manual which explains Crowe Global’s audit methodology. We are dedicated to the principles of quality embodied in the spirit that guides successful audit professionals of the Firm in meeting the responsibilities to our clients, the public, our colleagues and ourselves.

Our client service standards are pillared on our commitment to quality and to work together to deliver impeccable professional services. **Understanding, communicating, collaborating and delivering** define our professional approach.

Crowe Global’s audit methodology is based on the International Standards on Auditing (ISAs), with additional Crowe Global policy and guidance provided where appropriate. Crowe Global’s policies and procedures are designed to facilitate audits conducted in compliance with all ISA requirements that are relevant to each individual audit engagement.

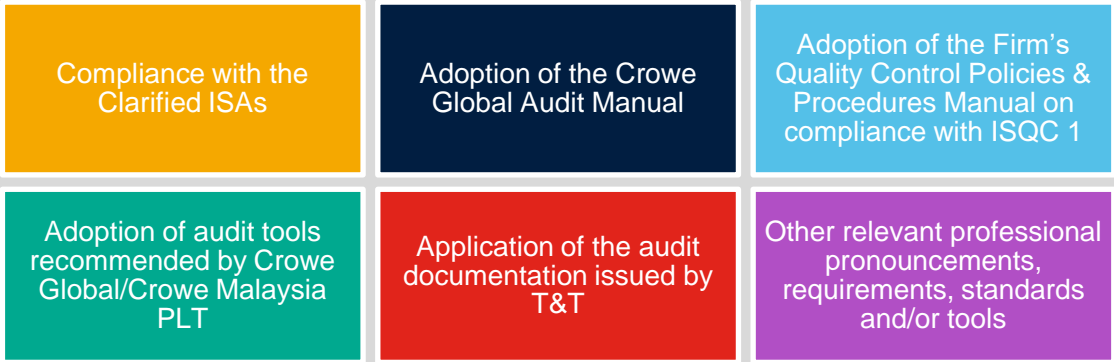
Our common audit methodology provides the framework to enable Crowe Malaysia nationwide to consistently comply in all respects with applicable professional standards, regulations and legal requirements and that the Firm or the engagement partner issue reports that are appropriate in the circumstances, which include:

- a) Matters relevant to promoting consistency in the quality of engagement performance;
- b) Supervision responsibilities; and
- c) Review responsibilities.

The Crowe Global Audit Manual along with Crowe Global’s audit tools and templates support engagement teams in conducting assurance and related services engagements.

CONSISTENCY IN THE QUALITY OF ENGAGEMENT PERFORMANCE

To achieve the above objective, all offices of the Firm shall use the same consistent audit approach and audit tools as mentioned below:



3.5 Engagement Performance (cont.)

SUPERVISION OF FIELD WORK

The policies and procedures for the supervision of audit engagements are designed to assure that the work performed is in accordance with professional standards and regulatory and legal requirements and meets our specific quality control standards.

Supervision extends from the planning stage to the issuance of our report, covers all levels within our organisational structure and emphasises the involvement of the audit Engagement Partner.

THE REVIEW FUNCTION AND DUE PROFESSIONAL CARE

The audit Engagement Partner has primary responsibility for the exercise of due professional care in the performance of the examination and preparation of the report. In order to ensure fulfillment of this responsibility, the policy requires the audit Engagement Partner to review the working papers in critical areas and the report prior to releasing it.

The Firm's policy on review responsibility is determined on the basis that the work of less experienced team members is reviewed by more experienced engagement team members. Our review process provides for the review of all reports and supporting working papers by someone other than the preparer.

The extent of review is determined by the nature of the engagement.

ENGAGEMENT QUALITY CONTROL REVIEW

The EQC review entails an objective evaluation of the significant judgments made by the engagement team and the conclusions reached in formulating the report.

The EQC review should be performed for audits for publicly held companies, public interest entities and other sensitive engagements and should be performed before the audit report is issued.

Policies and procedures for the performance and documentation of engagement quality reviews provide specific guidelines on the nature, timing and extent of the procedures to be performed, and the required documentation evidencing their completion.

Engagement quality reviewers are experienced professionals with significant subject matter knowledge. An audit Partner other than the audit Engagement Partner should perform this review. They are independent of the engagement team and provide an objective evaluation of the significant judgments the engagement team made, and the conclusions reached in formulating the auditor's report.

The benefits of the concurring review can be best realised when the reviewer is designated as early as possible so that he can be available for consultation in connection with the engagement planning, review of interim work and consultation on various accounting and auditing matters as they arise during the conduct of the engagement.

The performance of an engagement quality review, however, does not reduce the responsibilities of the partner in charge of the engagement for the engagement and its performance.

3.6 Monitoring

The Firm establishes policies and procedures designed to provide it with reasonable assurance that the policies and procedures relating to the system of quality control are relevant, adequate, operating effectively and complied with in practice.

Firm-wide ISQC 1 Review

- ISQC 1 compliance review by T&T and reported to the Firm's QC Partner and MBP
- Application of Self-assessment Checklist
- Results of review will be reflected in the partners' appraisal of the reviewed office

Engagement File Review

- Includes IQAR, regulators' inspections and Crowe Global quality assurance review
- MBP will make recommendation where rating is not provided
- Results of review will be communicated to professional staff

Internal Quality Assurance Review (IQAR)

- Periodic inspection by the Firm Review Team to evaluate audit engagement quality
- Review process includes monitoring of compliance with the Firm's policies, procedures, standards and requirements
- Results of review will be accompanied with practical recommendations and remedial actions on noted deficiencies, including training needs

Whistleblowing

- Report of any suspicions on breaches of the Firm's Anti-Bribery and Anti-Corruption Policy
- The Firm's Whistleblowing Policy is an avenue for all employees and the public
- Disclosure of improper conduct may be made in writing to whistleblowingkl@crowe.my

3.7 Implementation of ISQM 1

The International Standard on Quality Management 1 (ISQM 1), an approved quality management standard by the IAASB came into effect on 15 December 2022. Crowe Malaysia PLT, being a professional services firm that provides audit and assurance services, has consequently implemented ISQM 1 in meeting the international quality standards.

ISQM1 requires firms to design, implement, monitor and evaluate the overall System of Quality Management (SOQM) across eight specified components that provide reasonable assurance a firm will meet prescribed quality objectives. ISQM 1 includes more robust requirements for the governance, leadership and culture of professional accountancy firms, and introduces a risk assessment process for firms to assess risks to achieving quality objectives and design responses that address those risks. It also requires more extensive monitoring of the SOQM to identify deficiencies that require corrective actions and to provide the basis for evaluating the overall effectiveness of the SOQM.

In implementing the ISQM 1, the Firm has taken several key steps. As per the standard's requirement, the firm has established a quality management system (QMS) that includes policies and procedures which outline the firm's quality objectives, as well as the roles and responsibilities of individuals involved in the audit process.

Next, the firm has identified and assessed the risks associated with its audit engagements. This includes assessing the risk of material misstatement, as well as the risks associated with the firm's own internal processes and procedures. Once the risks have been identified and assessed, the firm's responses involved modifying existing audit procedures, as well as implementing new controls to mitigate the identified risks.

A system of monitoring and review has been drawn up to ensure that the QMS is effective in ensuring compliance with ISQM 1. This includes regular reviews of the firm's audit engagements, as well as ongoing monitoring of the QMS to ensure that it remains up-to-date and effective.

We acknowledge the importance of establishing a culture of quality throughout the organisation and this has been portrayed by promoting a commitment to quality at all levels of the organisation and encouraging staff to actively participate in the QMS and contribute to its ongoing improvement.

Overall, the implementation of ISQM 1 is a comprehensive process that requires a significant investment of time and resources to which Crowe Malaysia is fully committed to as it ensures that they meet the highest standards of quality and maintain the trust and confidence of our clients.



4.0 Statistics relating to indicators of audit quality

At Crowe, we focus on providing smart decisions that deliver outstanding value. In delivering smart decisions, we have an unwavering commitment to quality and serving the public interest. Delivering impeccable professional services enhances the credibility of our client's financial reporting and builds confidence and trust in our independent audit process.

We work hard to streamline, modernise and provide easy access to training for all our people so they are fully equipped to reach the high standard of quality required. We recognise that a core element of audit quality is to have the right people with the right skills on the right assignments and our policies and procedures are designed to meet that objective.

The shift to remote working during the COVID-19 pandemic has provided new challenges for our people. From maintaining vitality to working in a virtual team, adopting an agile mindset that embraces change has been critical.

In these challenging times, our commitment to audit quality remains central to our purpose of **building a better working world.**



4.1 Audit Partner Workload

The average number of clients per audit partner who undertakes the role of engagement partner (“EP”) may provide an indication of an audit partner’s workload within the Firm.

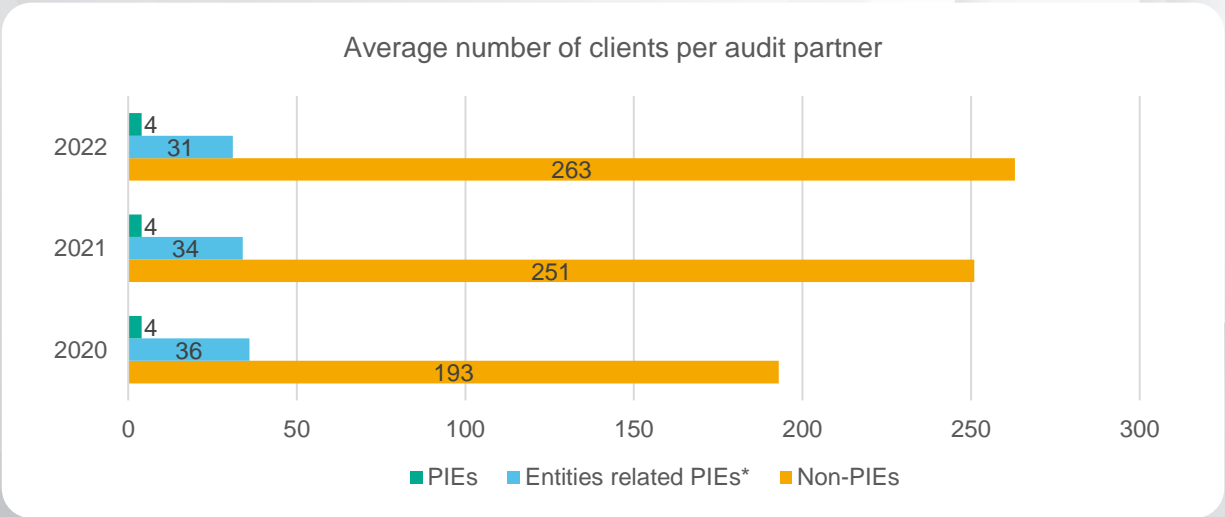
Each audit EP is allowed to sign off an average number of not more than 6 PIEs listed on Bursa Malaysia in accordance with the Firm’s monitoring control on audit partner workload. However, the MBP has the discretion to approve additional PIEs to an audit partner, where necessary, if the PIE is relatively simple and small in size without many significant risk areas. The Firm also always endeavours to increase the number of licensed audit partners. The Firm will monitor this on an ongoing basis.

Besides the effort to increase the number of licensed audit partners, the Firm is also very selective in accepting new PIEs and continuously strives to re-balance its audit portfolio by monitoring the partners’ workload in order to achieve acceptable audit quality on each audit engagement.

As of 31 December 2022, the Firm has 41 licensed audit partners of which 35 of them are registered with the Audit Oversight Board (“AOB”). The total number of PIEs that we have as of 31 December 2022 is 124. As of to date, the Firm has endeavoured to have a maximum of 6 PIEs for each audit partner. Each AOB registered audit partner of the Firm has consistently handled on average 4 PIEs and an average of 31 entities related to PIEs per calendar year over the last three years.

With the increasing complexity of PIE audits and strengthened requirements in auditing and ethical standards, sufficient capacity of the Firm is of paramount importance in upholding audit quality. The MBP believes that our Firm’s current level of capacity to carry out audits of PIEs is continuously well monitored and maintained.

In addition, licensed audit partners of the Firm who were involved in PIE audits also handle non-PIE audit client portfolios with an average number of 193, 251 and 263 companies per partner in 2020, 2021 and 2022 respectively.



Note: *Relate to non-PIEs within the PIE Group which are audited by Crowe Malaysia PLT. Examples include, but are not limited to, subsidiaries, associates and joint ventures of PIEs.

4.2 Auditor Independence

Managing conflicts of interest and maintaining our independence is vital to our ability to service our clients. We are committed to acting with the highest standards of integrity and in accordance with the MIA-By-Laws (on Professional Ethics, Conduct and Practice) and/or IFAC Code.

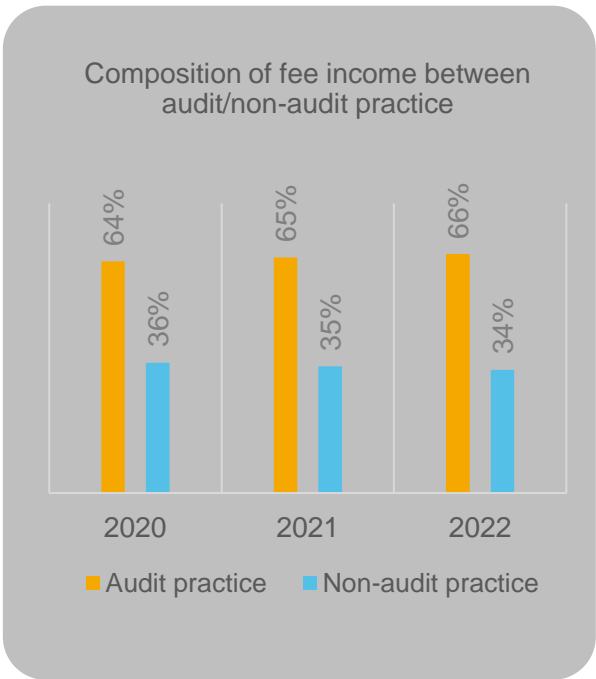
Our client acceptance and continuance processes are instrumental in ensuring that we only take on engagements where we have the competence and capacity to deliver the standard of work that our clients and profession expect, and where we can comply with our ethical and independence obligations.

All audit firms in Malaysia are required to comply with the relevant provisions under the MIA-By-Laws (on Professional Ethics, Conduct and Practice) with respect to the provision of non-audit services.

Our Prospective Client Acceptance Procedures provide guidance to ensure that we maintain our independence when accepting new non-assurance engagements. In addition, the independence and ethics policies are applicable to all Crowe Malaysia network firms. We take compliance with these ethical requirements seriously and strive to embrace the spirit and not just the letter of those requirements.

Before the Firm accepts an engagement to provide a non-assurance service to an audit client, a determination shall be made as to whether providing such a service would create a threat to independence with reference to the clauses stated in the MIA By-Laws and/or IFAC Code.

Over the last 3 years, the fee income from audit services continues to be the major contributor to the combined fee income derived from the Firms' audit clients. **We continually review and assess our people's capabilities and competence to perform engagements in accordance with professional standards, and legal and regulatory requirements.**



4.3 Capacity & Competence of the Audit Practice

At Crowe, we have four core values that underpin everything that we do.



Recruiting, developing and retaining professionals is essential to providing audits of consistent quality. Talent retention is important to ensure that an audit firm has sufficient resources to undertake an audit.

Talent retention especially experienced audit personnel, remains the main challenge faced by the audit profession in recent years. The Firm continues to execute measures and initiatives for our talent retention especially experienced audit personnel by offering competitive remuneration, improving staff benefits, offering structured development program for potential leaders, developing coaching cultures to encourage a closer working relationship between management and staff as well as enhancing resource planning for better management of the staff's workload. There are also training and development policies for all audit personnel with a variety of programmes delivered and tailored to every individual's level of experience.

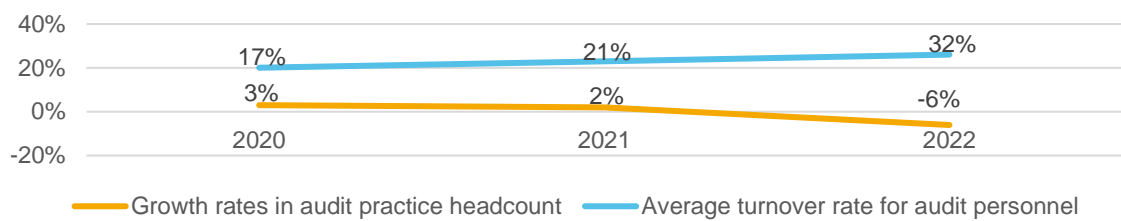
We are delighted to have been able to attract additional talent into our teams during the last year. This has supported our existing people through the inevitable challenges of the pandemic, as well as helped grow and enhance our client servicing capacity. At the same time, it ensures that we continue to bring on board highly talented individuals, whose skills, behaviours and attributes are in line with our competency requirements to meet our high professional standards.

We are committed to and continue to build on our technical expertise and knowledge, recognising its fundamental role in delivering quality audits. Crowe provides a positive, inclusive work environment and fulfilling, rewarding careers for our people.

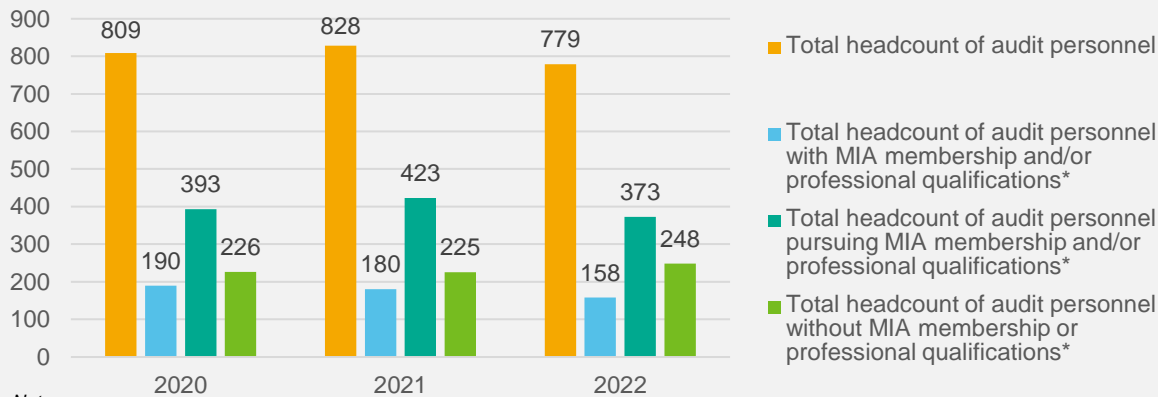
We invest in programs designed to develop and retain highly trained, highly qualified auditors and to broaden the diversity of our teams.

4.3 Capacity & Competence of the Audit Practice (cont.)

AVERAGE AUDIT STAFF TURNOVER RATE AND GROWTH RATES IN THE HEADCOUNT OF THE AUDIT PRACTICE



HEADCOUNT OF AUDIT PRACTICE AND AUDIT PERSONNEL WITH PROFESSIONAL QUALIFICATIONS



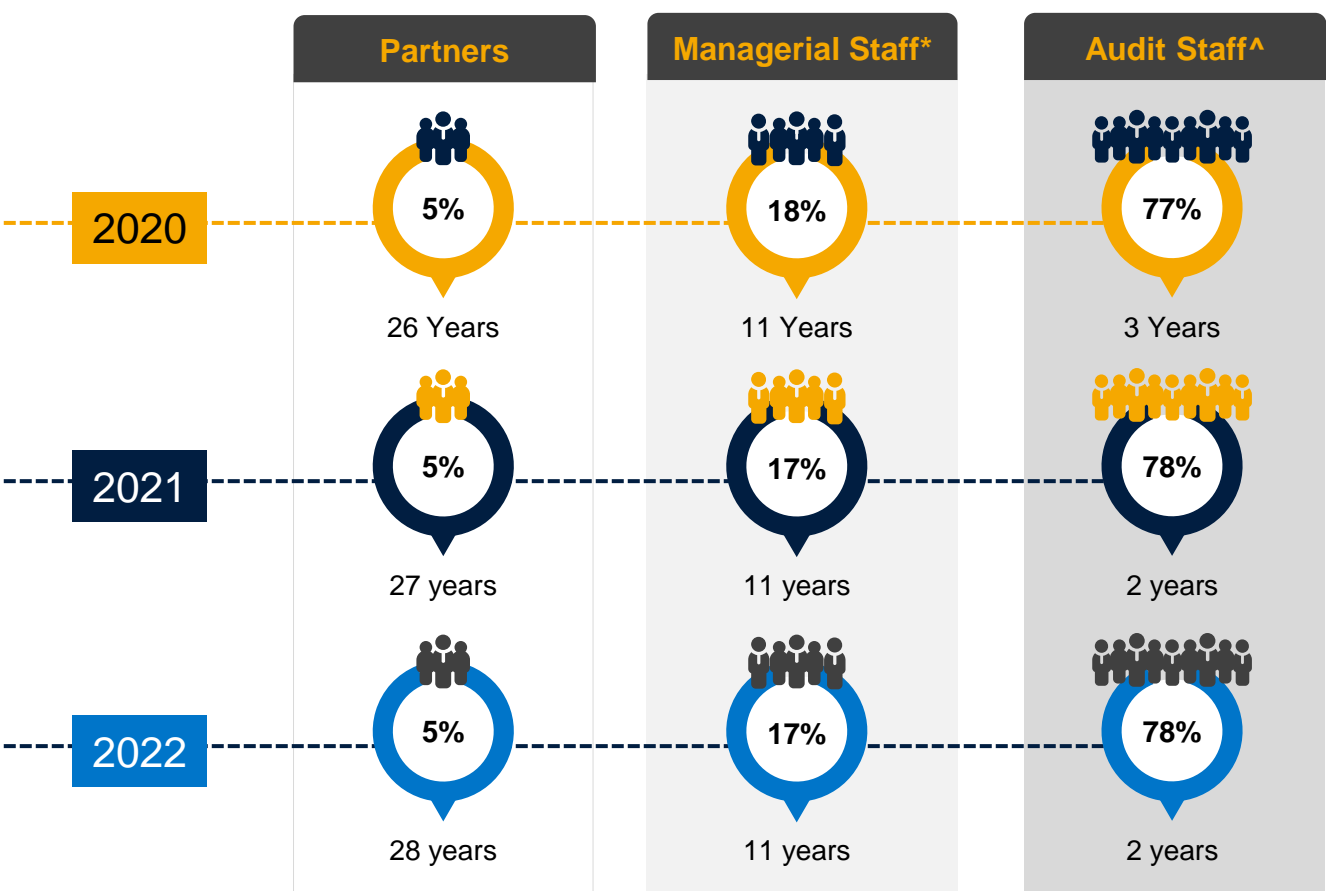
Note:
 * Audit personnel with professional qualifications are staff who are members of any of the recognised bodies specified in Part II of the First Schedule of the Accountants Act 1967 such as The Malaysian Institute of Certified Public Accountants (MICPA), Institute of Chartered Accountants in England and Wales (ICAEW), Association of Chartered Certified Accountants (ACCA), Certified Practising Accountants (CPA) Australia, and Chartered Institute of Management Accountants (United Kingdom) (CIMA).

YEARS OF EXPERIENCE BY STAFF ROLE (FOR AUDIT PRACTICE)

Audit staff role	Percentage of audit staff with years of experience in the assigned role as at 31/12/2022			
	Less than 1 year	Between 1 to 3 years	Between 3 to 5 years	More than 5 years
Partner	0%	17%	10%	73%
Managerial	28%	20%	13%	39%
Non-managerial	50%	31%	15%	5%
Average	43%	28%	14%	15%

4.3 Capacity & Competence of the Audit Practice (cont.)

AUDIT PRACTICE STAFF BY LEVEL TO TOTAL HEADCOUNT AND AVERAGE YEARS OF EXPERIENCE



Notes:
 * The managerial staff comprises audit principals, senior managers, managers and assistant managers who support the audit partners in the review and supervision of audit engagements.
 ^ The audit staff comprises audit senior and audit junior staff (Associate - Senior 2).

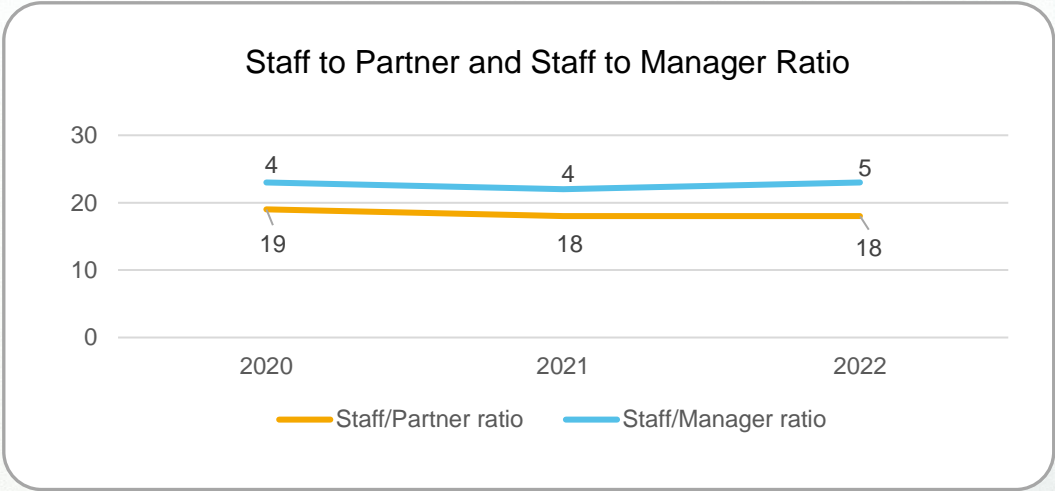
4.4 Audit Engagement Supervision

Audit quality is fundamental to how we reward and promote our people. Attracting and retaining people with diverse skills and perspectives is key to our strategy. Delivering high-quality audits and continuously improving what we do are fundamental to building a better working world. To do so, we recruit, develop and retain the right people.

The Firm continues to manage attrition rates over the years by intensifying recruitment activities and undertaking measures and initiatives to retain talent. Monitoring and measuring the impact of the steps we are taking is key to ensure we meet our objectives now and in the future.

The average staff to partner and staff to manager ratios present an indication on the capacity of partners and managerial staff to supervise the junior audit team members. A lower ratio indicates that a partner or manager can accord greater attention to supervise an audit engagement team.

The average staff to partner and staff to manager ratios have remained consistent over the past three years. This is an indication that the supervision of audit staff is not compromised.



4.5 Audit Firm's Investment to Uphold Audit Quality

In a world with continued political, economic, technological and regulatory changes, we must continue to focus on our people and their professional development. We recognise that our people are key to delivering exceptional client service and performing high-quality audits and we continue to invest in them to support consistent delivery in an environment that has a culture of the challenge at its heart. Our people develop technical knowledge and professional skills through practical experience, coaching and formal and informal learning activities.

Our people demonstrate high standards of technical competency and commitment to the Firm's values and professional standards. In order to ensure that these standards are met, the Firm provides all audit personnel with comprehensive learning and development opportunities, including:



A structured audit training program which is designed to provide all audit engagement team members with both technical and soft-skills training appropriate to their level of experience



Alerts to ensure that staff are kept informed of technical and regulatory developments



Access to a library of local and international technical reference materials on accounting, audit and regulatory development matters



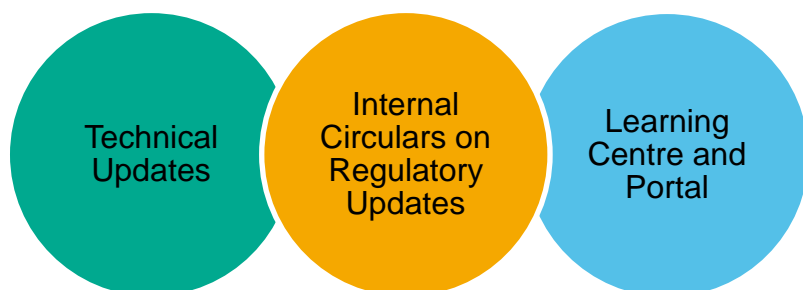
Participation at Crowe Global conferences and learning events

4.5 Audit Firm's Investment to Uphold Audit Quality (cont.)

QUALITY CONTROL FUNCTION – TECHNICAL & TRAINING TEAM (T&T)

The major function and role of the T&T are to assist the Quality Control Partner in implementing and monitoring the Firm's system of quality control which includes matters relating to staff training, quality assurance reviews, technical consultations, risk management and independence monitoring.

Available resources and mediums provided by T&T in ensuring that all professional staff are kept up to date with current developments in the profession:



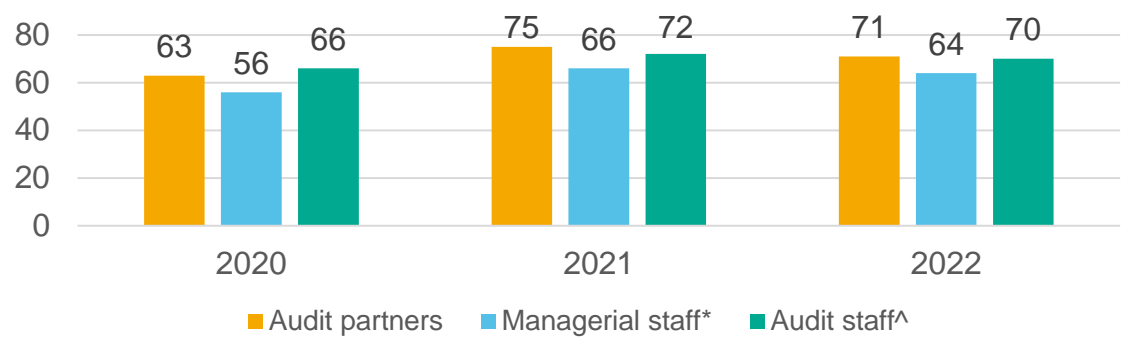
The Firm continues to take efforts to seek suitable and dedicated resources to overcome the higher ratio of staff to headcount of the quality control function of the Firm in 2022 as compared to 2021.

All audit personnel of the Firm are required to assess their continuing professional development annually. They reflect on their role and identify the learning and development they need to complete, to ensure they remain competent to carry out that role. We have remained committed to ensuring that our people receive the training and development that they need to effectively perform their roles and continue their personal and professional development.

Over the past three years, the average training hours attended by all the audit personnel of the Firm exceeded the minimum 40 CPE hours prescribed by the Firm's ISQC 1 policy on training.

4.5 Audit Firm’s Investment to Uphold Audit Quality (cont.)

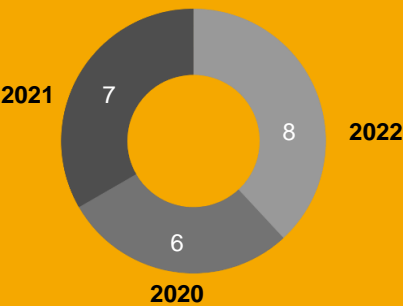
AVERAGE NUMBER OF TRAINING HOURS ATTENDED PER AUDIT PERSONNEL



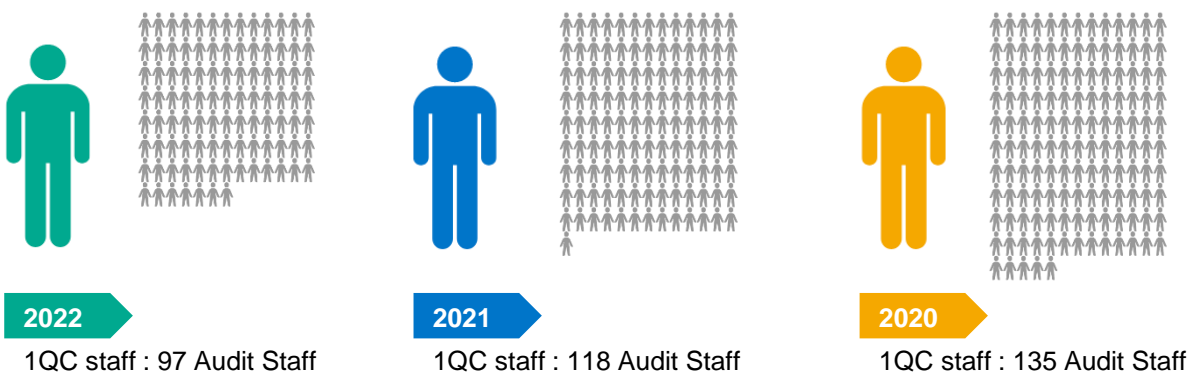
Notes:
 * The managerial staff comprises audit principals, senior managers, managers and assistant managers who support the audit partners in the review and supervision of audit engagements.
 ^ The audit staff comprises audit senior and audit junior staff (Associate - Senior 2).

TOTAL HEADCOUNT OF QUALITY CONTROL FUNCTION*

Note:
 * The headcount of the quality control function comprises the head of division who is also involved in the audit operations.



AVERAGE STAFF TO QC HEADCOUNT



4.6 Internal and External Monitoring Reviews

Monitoring and remediation are integral to a framework that seeks to maintain and improve audit quality. We are subject to a comprehensive programme of quality assurance reviews from both external and internal resources.

External Review



Audit Oversight Board (AOB)

Frequency of inspection
Annual

Report concluded within the period of this Transparency Report
Yes

Last completed inspection
2022



Public Company Accounting Oversight Board

Frequency of inspection
No set frequency

Report concluded within the period of this Transparency Report
No

Last completed inspection
2010 - 2011



Malaysian Institute of Accountants

Frequency of inspection
No set frequency
(subject to risk based approach)

Report concluded within the period of this Transparency Report
No

Last completed inspection
Nil

Internal Review



Technical & Training Department

Frequency of inspection
Annual

Report concluded within the period of this Transparency Report
Yes

Last completed inspection
2022



Crowe Global

Frequency of inspection
Once every three years

Report concluded within the period of this Transparency Report
Yes

Last completed inspection
2022

4.6 Internal and External Monitoring Reviews (cont.)

REGULATORY AND EXTERNAL AUDIT INSPECTIONS

Our Firm is subject to the inspections performed by the external reviewers / regulators (e.g. Audit Oversight Board, PCAOB, MIA) and quality assurance reviews performed by Crowe Global.

I. AUDIT OVERSIGHT BOARD (AOB)

AOB inspections on registered audit firms and individual auditors of PIEs and schedule funds involve an assessment of the degree of compliance by auditors with auditing and ethical standards applicable in Malaysia and the quality of the auditor's reports prepared by the auditors relating to the audited financial statements of PIEs and schedule funds. A risk-based approach is adopted in its inspections and takes into consideration, among others, public listed companies' (PLCs) market capitalisation and specific areas of concern in its selection of audit engagements to be inspected. In addition, the AOB incorporates annual thematic reviews on certain areas of audits where there are particular market interests or concerns.

At the conclusion of each inspection, the AOB issues a draft inspection report to provide details on findings observed during the inspection. Audit firms are expected to provide their responses within the specific timeframes prescribed by the AOB. The AOB finalises the inspection reports after taking into account representations made by the audit firms. All findings are expected to be remediated by the audit firms within a timeline agreed with the AOB.



4.6 Internal and External Monitoring Reviews (cont.)

AOB INSPECTION FOR YEAR 2020

In 2020, the AOB carried out its planned onsite inspections, as well as an off-site inspection. More extensive off-site monitoring and thematic reviews were introduced on specific areas of concern arising from the impact of COVID-19 and the Movement Control Order (MCO) on the audited financial statements and auditors' reports. This was done via deeper analysis of PLCs audited financial statements and the auditors' reports via increased utilisation of data analytics.

The off-site monitoring and thematic reviews on our Firm for the year 2020 were in respect of the ISQC 1 quality controls and on selected audit engagements, which commenced at the end of October 2020. The common inspection findings, results of thematic reviews, trend analysis and remediation efforts taken by firms inspected by AOB have been presented in the AOB 2020 Annual Inspection Report.


AOB INSPECTION FOR YEAR 2021

As a result of the COVID-19 MCO imposed by the Government, the Firm's 2021 annual inspection was performed by AOB entirely virtually and the 2021 AOB final inspection report was issued on 14 March 2022.

There were four findings in respect of the firm-level review which reflected certain gaps in the Firm's quality control systems under the relevant ethical requirements, client and engagement acceptance procedures and engagement performance elements of ISQC 1.

The AOB's 2021 annual inspection of the Firm involved a selection of six PIE audit engagements, of which five out of the six PIE audit engagements selected for inspection have some findings (the other one having no findings). The Firm and two engagement partners were also imposed with specific remediation measures by AOB and we have acted in a responsible and timely manner.





4.6 Internal and External Monitoring Reviews (cont.)

AOB INSPECTION FOR YEAR 2022

The most recent completed AOB annual inspection on the Firm took place in June 2022.

Final inspection report was issued with four findings in relation to firm-level review. The findings were in respect of some quality control systems aspects on relevant ethical requirements, client and engagement acceptance procedures and monitoring activities under ISQC 1.

A total of four PIE audit engagements were selected for AOB annual inspection which resulted in several findings. The Firm has produced appropriate remedial actions in relation to the findings, to which they have been followed through as scheduled.

We consider all AOB's findings in relation to the firm-level review and each engagement they inspect. Our response to each finding is dependent on the nature and significance of the AOB inspection finding. Depending on the nature and severity of the AOB inspection finding and our assessment of the casual factors, we will consider if there is a need to enhance our policies, processes and guidance, or to deliver additional training to our audit personnel.

As part of our commitment to sustainable audit quality, we have enhanced and introduced new controls and guidance where necessary in response to the AOB inspection findings. Our remedial action plans for the inspection findings highlighted by AOB have been shared with AOB and are still subject to approval by AOB as of the publication date of this Transparency Report.

We are committed to continuing to work with the AOB to further strengthen trust in the integrity of the independent audit. The system of quality control of the Firm remains robust and effective.

4.6 Internal and External Monitoring Reviews (cont.)

II. PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD (PCAOB)

We are registered with the PCAOB in the US. We do not conduct audits of companies listed on US markets but do audit some group components of such companies. As a result, the Firm comes within the remit of the PCAOB for audit inspection where the size and nature of that component mean that the firm has a 'substantial role' on the audit of a US-listed company.

There has been no audit inspection conducted by PCAOB on our Firm since the last completed inspection in 2011.

III. MALAYSIAN INSTITUTE OF ACCOUNTANTS (MIA)

The MIA is a regulatory body for the accountancy profession in Malaysia. This role is mandated by Section 6 of the Accountants Act, 1967 which states the functions of MIA. In upholding this mandate, the Practice Review Committee of MIA is specifically tasked to carry out surveillance activities on audit firms registered with MIA to ensure that audit practitioners are adhering to international auditing standards, legal and regulatory requirements when they perform their audit work. It is appropriate to add that MIA is required to set up a quality assurance programme in Malaysia to comply with its membership obligations of IFAC.

The Practice Review programme is conducted pursuant to Part B Section B250: Quality Assurance and Practice Review of the By-Laws (On Professional Conduct, Ethics and Practice) of MIA. The practice review framework requires all audit firms to submit to the practice review. The basis of practice review is based on the risk approach with reasonable frequency and consequently, the selection of an audit firm for practice review is determined by a number of risk factors that are embedded in the profile of the practitioner and his audit firm as well as risks arising from other sources such as external parties who may have been afflicted and as a result suffered loss or damages through reliance on the work of auditors.

No audit inspection has been conducted by MIA on our Firm as of the publication date of this Transparency Report.



4.6 Internal and External Monitoring Reviews (cont.)

I. TECHNICAL & TRAINING DEPARTMENT

The Firm carries out an annual Firm-Wide ISQC 1 Review and Internal Quality Assurance Review (IQAR) respectively, led by the Quality Control Partner and run by the T&T Review Team.

The internal monitoring reviews include both reviews of individual audit files and whole firm procedures, including independence and ethical matters. The review also includes monitoring the progress on delivering action plans agreed with its external reviewers.

Firm-Wide ISQC 1 Review

The firm-wide and each office’s ISQC 1 compliances will be monitored by the T&T and any deficiencies or comments noted will be reported to the Quality Control Partner and the MBP.

The following are the results of the Firm-Wide ISQC 1 Review conducted by T&T in 2022, 2021 and 2020 respectively:

Overall Grade	Satisfactory	Acceptable with limited improvement required	Improvements required	Significant improvement required
Description	Compliance for the requirements of ISQC 1 was of a good standard	Compliance for the requirements of ISQC 1 was of an acceptable standard with limited improvements required	Compliance for the requirements of ISQC 1 was of an acceptable standard overall with improvements required	Compliance for the requirements of ISQC 1 was below an acceptable standard
2022	-	One(1) office	-	One(1) office
2021	-	One(1) office	One(1) office	-
2020	One(1) office	One(1) office	One(1) office	-

4.6 Internal and External Monitoring Reviews (cont.)

Internal Quality Assurance Review (IQAR)

The grading of the IQAR shall be based on the outcome of issues and deficiencies noted from the review. The scoring system shall consider both the quantitative and qualitative aspects of the deficiencies. A checklist covering the following areas is used:

- Part I – Planning
- Part II – Reviewing the cycles
- Part III – Engagement overview
- Part IV – Compliance and general matters
- Part V – Supervision and review

The IQAR review team shall conduct a root-cause-analysis with the engagement team and a remedial plan is required to address the deficiencies noted.

As required, the IQAR review team shall perform a follow-up review in the next audit cycle. The scope of the follow-up review shall focus on areas in which deficiencies were noted in the previous review. The IQAR team shall have the discretion to decide whether an extended scope is required. The following are the results of IQAR conducted by T&T in 2022, 2021 and 2020 respectively:

Overall Grade	Satisfactory	Acceptable with limited improvement required	Improvements required	Significant improvement required
Description	File was of a good standard	File was of an acceptable standard with limited improvements required	File was of an acceptable standard overall with improvements required	File was below an acceptable standard
2022	One(1) PIE file	Seven(7)PIE files	Seven(7)PIE files	Two(2) PIE files
2021	-	Four(4) PIE files	Two(2) PIE files	-
2020	-	Four(4) PIE files	-	-

The quality objective is always one of the key performance indicators in the current appraisal system for the partners, principals and audit managers. T&T is dedicated to developing audit tools and practical templates to support and monitor the audit quality of all offices.

The commitment to quality is core to our assurance strategy.

4.6 Internal and External Monitoring Reviews (cont.)

II. CROWE GLOBAL

It is the policy of Crowe Global to conduct Quality Assurance Reviews (QARs) on the audit practices of member firms approximately every three years. The Crowe Global Audit QAR programme is directed and led by the International Accounting & Audit Director.

The objective of an audit QAR is to determine whether the policies and procedures applied in a firm’s audit practice comply with ISQC 1 and whether a firm conducts its audits in accordance with national regulation and International Standards on Auditing (“ISAs”). The audit QAR also considers the effectiveness of the working between a member firm and other member firms and provides constructive feedback on the management and efficiency of the firm’s audit practice.

The most recent QAR was performed remotely by Crowe Global in November 2022.

The review involved several topics including external monitoring, reports of the Firm’s internal monitoring activities, and review of completed audit engagements. While the Firm’s existing application of quality control policies and procedures was reviewed, the Firm’s progress with the implementation of ISQM 1 was also considered.

The overall results for both the Firm Review (compliance with ISQC 1 requirements) and Engagement Review (two audit files selected) on the Firm are satisfactory.



5.0 Compliance with Legal Requirements

The Code of Ethics and Conduct of Crowe Malaysia provides clear guidance about the Firm's actions and business conduct. Crowe Malaysia PLT and its network firms ("Crowe Malaysia Group") comply with the relevant applicable laws and regulations in Malaysia, and the Firm's values underpin our commitment to doing the right thing. This important commitment is supported by a number of policies and procedures, explained in the paragraphs below.

5.1 Anti-Money Laundering

The Anti-Money Laundering and Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 Policy of Crowe Malaysia ("AMLA Policy") sets out the relevant requirements on anti-money laundering and countering the financing of terrorism required by Bank Negara Malaysia that are applicable to Crowe Malaysia PLT and its network firms. The AMLA Policy defines the objectives and procedures to be adhered to in conducting customer due diligence procedures when carrying out the Gazetted Activities for the clients, so as to protect our business from being abused by money launderers or terrorist financiers.

Furthermore, the AMLA Policy also provides clear guidance about the procedures in performing the employee screening procedures so as to protect against the involvement in, or furtherance of, money laundering and terrorism financing by the Firm or its personnel.

5.2 Anti-Bribery and Anti-Corruption

The Anti-Bribery and Anti-Corruption Policy of Crowe Malaysia ("ABAC Policy") sets out the policy statements and other relevant parameters approved by the MBP against bribery and corrupt practices by the Partners and Employees of Crowe Malaysia PLT and its network firms, as well as persons performing services for or on behalf of the Crowe Malaysia Group ("Service Providers") in accordance with the Malaysian Anti-Corruption Commission Act 2009 requirements.

In addition, the ABAC Standard Operating Procedures ("SOP") set out the guidance to the Partners, Employees and Service Providers on how to deal with common forms of bribery and corrupt activities which may arise or which might be encountered in the course of operating Crowe Malaysia Group's businesses. The ABAC SOP shall be read in conjunction with the ABAC Policy, the Code of Conduct and the Policy and Procedures on Whistleblowing of the Crowe Malaysia Group.

5.3 Data Privacy

The Code of Ethics and Conduct of Crowe Malaysia provides clear guidance about the Firm's actions and business conduct. Crowe Malaysia PLT and its network firms ("Crowe Malaysia Group") comply with the relevant applicable laws and regulations in Malaysia, and the Firm's values underpin our commitment to doing the right thing. This important commitment is supported by a number of policies and procedures, explained in the paragraphs below.

Smart decisions. Lasting value.

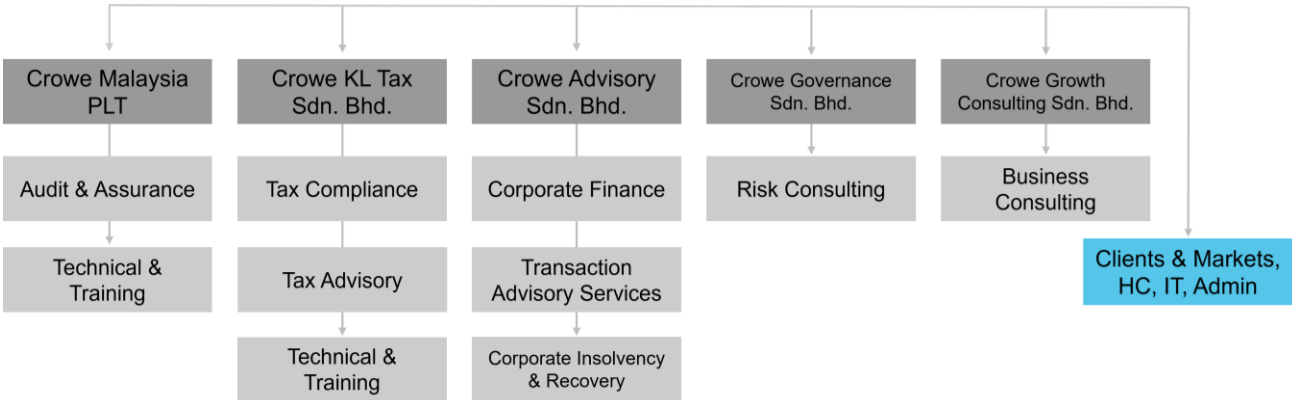
Building towards a better, more sustainable future.



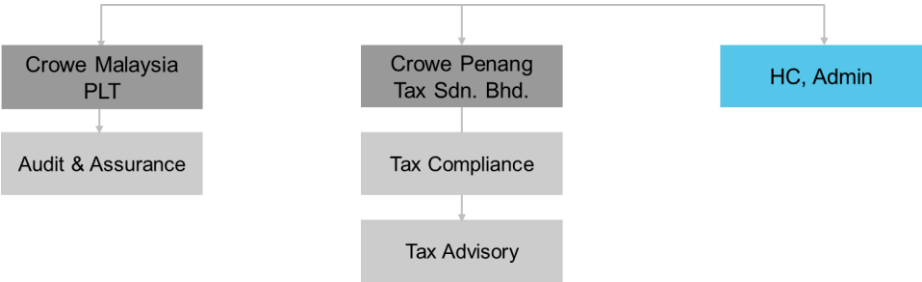
Appendix 6.1

The Firm's Structure

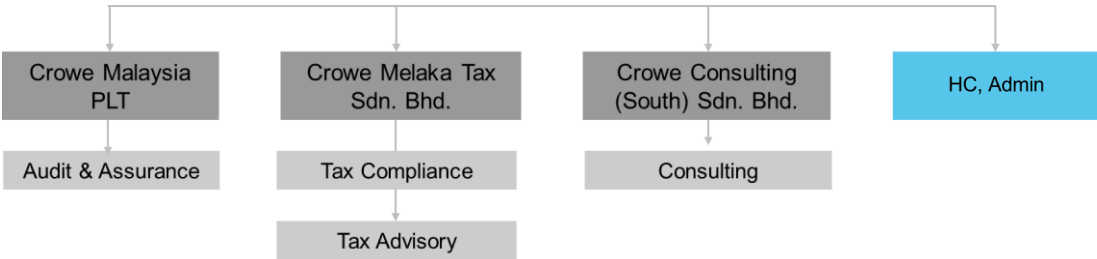
Kuala Lumpur, Klang & Ipoh Offices



Penang Office



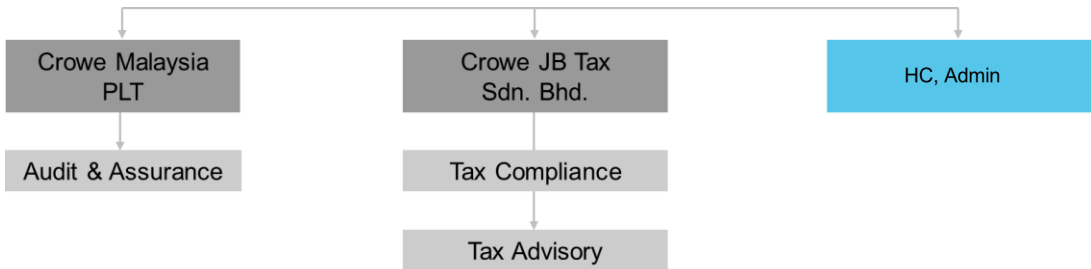
Melaka Office



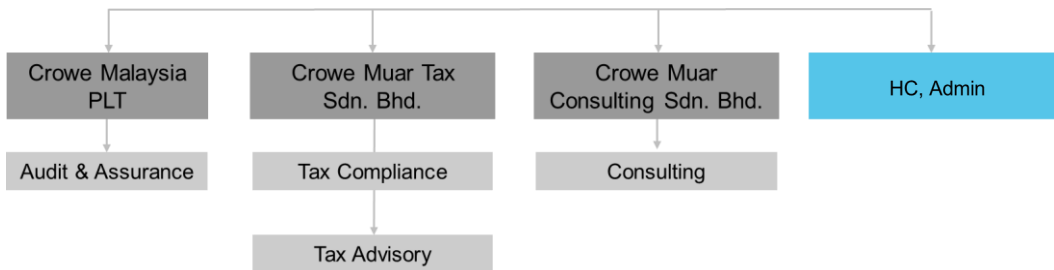
Appendix 6.1 (cont.)

The Firm's Structure (cont.)

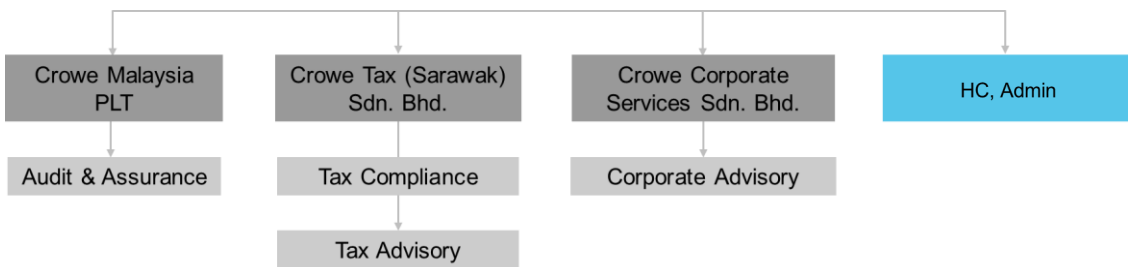
Johor Bahru Office



Muar Office



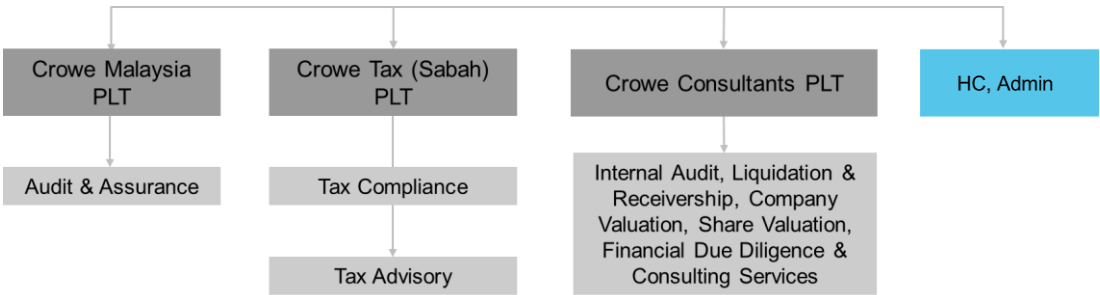
Kuching, Miri, Sibul & Bintulu Offices



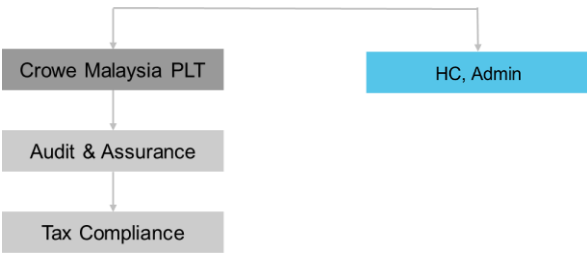
Appendix 6.1 (cont.)

The Firm's Structure (cont.)

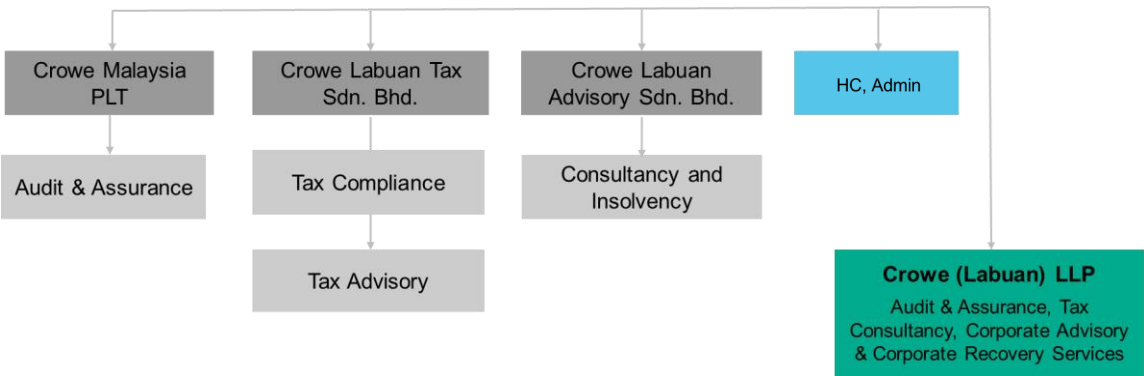
Kota Kinabalu Office



Tawau Office



Labuan Offices



Appendix 6.2

List of Major Public Interest Entities Audited

The table below lists the entities we audit who were PIEs or otherwise listed on a recognised exchange, where we carried out audit work in the year ended 31 December 2022.

Kuala Lumpur Office

Public Listed Companies

Advancecon Holdings Berhad	Freight Management Holdings Berhad	Muhibbah Engineering (M) Berhad
Apex Equity Holdings Berhad	Frontken Corporation Berhad	MUI Properties Berhad
Asia Poly Holdings Berhad	Gadang Holidngs Berhad	OneTech Solutions Holdings Berhad
Awanbiru Technology Berhad	Gagasan Nadi Cergas Berhad	Only World Group Holdings Berhad
Binasat Communications Berhad	GDB Holdings Berhad	Pan Malaysia Corporation Berhad
Carimin Petroleum Berhad	HCK Capital Group Berhad	Pan Malaysia Holdings Berhad
Cengild Medical Berhad	HLT Global Berhad	Parkwood Holdings Berhad
Coastal Contracts Berhad	iCapital.biz Berhad	Pecca Group Berhad
Complete Logistic Services Berhad	IDB Technologies Berhad	Perak Corporation Berhad
Dagang NeXchange Berhad	Infoline Tec Group Berhad	Pimpinan Ehsan Berhad
Datasonic Group Berhad	JF Technology Berhad	Protasco Berhad
D&O Green Technologies Berhad	Kelington Group Bhd	Radiant Globaltech Berhad
DPI Holdings Berhad	KYM Holdings Berhad	Redplanet Berhad
DSR Taiko Berhad	Leform Berhad	Resintech Berhad
Eksons Corporation Berhad	Lim Seong Hai Capital Berhad	SBC Corporation Berhad
EVD Berhad	Malayan United Industries Berhad	Scomi Energy Services Bhd
FajarBaru Buider Group Berhad	MN Holdings Berhad	UMS-Neiken Group Berhad
Favelle Favco Berhad	Mega First Corporation Berhad	Vortex Consolidated Berhad

Schedule Funds

Apex Asian (Ex Japan) Fund	Fortress Focus Select Asia Fund	Opus Enhanced Income Fund
Apex Dana Al-Faiz-I Fund	Fortress Global Growth Fund	Opus Fixed Income Fund
Apex Dana Al-Kanz	Fortress Value Tactical Fund	Opus High Yield Opportunities Fund
Apex Dana Al-Sofi-i	Golden Touch All Weather Fund	Opus Income Plus Fund
Apex Dana Aman	ICD Global Sustainable Fund	Opus Institutional Income Fund
Apex Dana Aslah Fund	KSC Alpha Tactical Fund	Opus Institutional Income Fund 2
Apex Dynamic Fund	KSC Asian Renewable Energy & Environment Fund	Opus Money Plus Fund
Apex Malaysia Growth Trust	KSC Demeter Fund	Opus Shariah Cash Extra Fund
Apex Quantum Fund	KSC High Yield Fund	Opus Shariah Cash Management Plus Fund
Asean Equity Fund	KSC Incrementum Fund	Opus Shariah Income Fund
ATM Entrepreneur Investment Growth Fund	KSC Prime Fund	Opus SRI Sukuk Fund
ATM Family Invest Growth Fund	KSC Strategic Fund 3	Singular Asia Flexible Fund
Fortress Absolute Return Fund	Opus Cash Extra Fund	Singular Value Fund
Fortress ACM 325 Fund-1	Opus Dynamic Income Fund	

Capital Markets Services Licence Holders

Abbas Investment Management Sdn Bhd	Capital Dynamics Asset Management Sdn Bhd	Opus Asset Management Sdn Bhd
Apex Investment Services Berhad	Golden Touch Asset Management Sdn Bhd	Saturna Sdn Bhd
ATM Capital Management Sdn Bhd	JF Apex Securities Berhad	Singular Assets Management Sdn Bhd
Atrium REIT Managers Sdn Bhd	Kumpulan Sentiasa Cemerlang Sdn Bhd	

Appendix 6.3

List of Major Public Interest Entities Audited (cont.)

Klang Office

Public Listed Companies

Analabs Resources Berhad
CB Industrial Product Holding Berhad
Censof Holdings Berhad
ES Ceramics Technology Berhad
Hextar Global Berhad
Notion Vtec Berhad
TSR Capital Berhad

Penang Office

Public Listed Companies

Astino Berhad
Dufu Technology Corp. Berhad
FoundPac Group Berhad
GUH Holdings Berhad
Kobay Technology Berhad
Master-Pack Group Berhad
RGT Berhad
Tong Herr Resources Berhad
Vitrox Corporation Berhad

Melaka Office

Public Listed Companies

BP Plastics Holding Berhad
Jaycorp Berhad
Kotra Industries Berhad
Matrix Concepts Holdings Berhad
Oriental Food Industries Holdings Berhad
Ornapaper Berhad
TPC Plus Berhad
Unique Fire Holdings Berhad
White Horse Berhad

Johor Bahru Office

Public Listed Companies

Axteria Group Berhad
Ecoscience International Berhad
Ge-Shen Corporation Berhad
Iskandar Waterfront City Berhad
JBB Builders International Limited
Kimlun Corporation Berhad
MCE Holdings Berhad
SDS Group Berhad
Solid Automotive Berhad
Xin Hwa Holdings Berhad

Muar Office

Public Listed Companies

Able Global Berhad
Ecomate Holdings Berhad
Homeritz Corporation Berhad
Mobilia Holdings Berhad
Poh Huat Resources Holdings Berhad
Seng Fong Holdings Berhad
Spring Art Holdings Berhad
Success Transformer Corporation Berhad
Superlon Holdings Berhad
Wegmans Holdings Berhad
YBS International Berhad

Kuching Office

Public Listed Companies

Hubline Berhad
Reservoir Link Energy Berhad
Supreme Consolidated Resources Berhad
Zecon Berhad

Miri Office

Public Listed Companies

Shin Yang Shipping Corporation Berhad

Ipoh Office

Public Listed Companies

Salutica Berhad

Bintulu Office

Public Listed Companies

Sunmow Holding Berhad

Sibu Office

Public Listed Companies

CCK Consolidated Holdings Berhad
Pansar Berhad
Rimbunan Sawit Berhad
Subur Tiasa Holdings Berhad

Kota Kinabalu Office

Public Listed Companies

NPC Resources Berhad

Appendix 6.4

Crowe Global Network Firms

The following firms within the Crowe Global network provide statutory audit services.

Country	Firm	Region
Afghanistan	Crowe Horwath - Afghanistan	Asia Pacific
Albania	Crowe AL SHPK	EMEA
Algeria	Cabinet D'Audit Hamza et Associes	EMEA
Andorra	Alfa Capital Assessors I Auditores SL	EMEA
Angola	Crowe Angola - Auditores e Consultores, S.A.	EMEA
Argentina	Canepa, Kopec y Asociados	Americas
Armenia	Crowe & Asatryans LLC	EMEA
Australia	Crowe Horwath (Australasia) Pty. Ltd.	Asia Pacific
Austria	Crowe SOT	EMEA
Azerbaijan	Crowe Baltic Caspian Audit LLC	EMEA
Azerbaijan	ABAK-Az Crowe Ltd.	EMEA
Bahamas	Crowe Bahamas	Americas
Bahrain	Crowe BH	EMEA
Bangladesh	Ahmed Mashuque and Co.	Asia Pacific
Barbados	Crowe BDS SRL	Americas
Belgium	Callens, Pirenne & Co.	EMEA
Bolivia	Crowe Horwath Bolivia SRL	Americas
Botswana	Crowe Goel & Associates	EMEA
Brazil	Crowe Consult Consultoria Empresarial	Americas
Brazil	Crowe Macro Auditoria e Consultoria Ltda.	Americas
Brazil	Crowe Consult Auditores Independentes	Americas
British Virgin Islands	Crowe (BVI) Limited	Americas
Bulgaria	Crowe Bulgaria Audit EOOD	EMEA
Cambodia	Crowe (KH) Co. Ltd.	Asia Pacific
Cameroon	Okalla Ahanda & Associes	EMEA
Canada	Crowe BGK LLP	Americas
Canada	Crowe MacKay LLP	Americas
Canada	Crowe Soberman LLP	Americas
Cayman Island	Crowe Horwath Cayman Limited	Americas
Chile	Crowe Auditores Consultores Ltda.	Americas
China	Crowe China entified Public Accountants	Asia Pacific
Colombia	Crowe Co S.A.S.	Americas
Costa Rica	Crowe Horwath CR, S.A.	Americas
Cote d'Ivoire	Uniconseil	EMEA
Croatia	Crowe Hrvatska	EMEA
Curacao	ACC & Partners B.V.	Americas
Cyprus	Crowe Cyprus Limited	EMEA
Czech Republic	Crowe Advartis	EMEA
Denmark	Crowe Statsautoriseret Revisionsinteressentskab	EMEA
Dominican Republic	Sotero Peralta & Asociados	Americas
Ecuador	Romero y Asociados Cia. Ltda.	Americas
Egypt	Crowe Dr A.M. Hegazy & Co	EMEA
El Salvador	Integrity Auditing Group, Ltda. de C.V.	Americas

Country	Firm	Region
Estonia	CDNW Group Ltd	EMEA
Finland	Maura Audit Oy	EMEA
France	Avvens Management	EMEA
France	Becouze & Associes	EMEA
France	Cifralex	EMEA
France	Cogefis Associes	EMEA
France	Crowe Reunion	EMEA
France	Dauge Fideliance	EMEA
France	Dupouy & Associes	EMEA
France	Fideliance	EMEA
France	Fiduroc	EMEA
France	Groupe Ficorec	EMEA
France	Crowe HAF	EMEA
France	RSA	EMEA
France	SAS Groupe Rocard	EMEA
France	Sogec	EMEA
French Polynesia	Horwat Tahiti	Asia Pacific
Georgia	Crowe GE LLC	EMEA
Germany	Dr. Kleeberg and Partners GmbH	EMEA
Germany	Möhrle Happ Luther Wirtschaftsprüfungsgesellschaft mbH	EMEA
Germany	HAS Horwath	EMEA
Germany	RWT Crowe GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft	EMEA
Germany	BPG Beratungs- und Prüfungsgesellschaft mbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft	EMEA
Ghana	Veritas Associates	EMEA
Greece	Crowe SOL	EMEA
Guatemala	Vertice Financiero S.A.	Americas
Honduras	Horwath Central America, S. de R.L. de C.V.	Americas
Hong Kong	Crowe (HK) CPA Ltd.	Asia Pacific
Hungary	Crowe FST Consulting Kft	EMEA
India	V.P. Thacker & Co	Asia Pacific
Indonesia	Kosasih Nurdjaman Mulyadi Tjahjo & Rekan	Asia Pacific
Iraq	Crowe Professional Auditors LV	EMEA
Ireland	Crowe Ireland	EMEA
Isle of Man	Crowe Isle of Man LLC	EMEA
Israel	Ovadia Pick Krieheli And Co.	EMEA
Italy	Crowe AS SpA	EMEA
Japan	Crowe Toyo & Co.	Asia Pacific
Jordan	Ibrahim Yaseen & Partners Co. – Professional Auditors	EMEA
Jordan	Al-Tillawi, Al-Khateeb Company & Partner Co.	EMEA
Kazakhstan	Crowe Kazakhstan	EMEA
Kenya	Crowe Erastus & Co.	EMEA

Appendix 6.4 (cont.)

Crowe Global Network Firms (cont.)

Country	Firm	Region
Kenya	Crowe COR LLP	EMEA
Kuwait	Cowe Al Muhanna & Co.	EMEA
Kyrgyzstan	Crowe ACG	EMEA
Latvia	Crowe DNW SIA	EMEA
Lebanon	Crowe Professional Auditors LV	EMEA
Liberia	Crowe Liberia LLC	EMEA
Liechtenstein	Crowe Treuhand AG	EMEA
Lithuania	UAB Crowe LT	EMEA
Luxembourg	C-CLERC S.A.	EMEA
Malawi	Crowe J&W	EMEA
Malaysia	Crowe Malaysia	Asia Pacific
Maldives	Crowe Maldives LLP	Asia Pacific
Mali	Inter Africaine d'Audit et d'Expertise (IAE-SARL)	EMEA
Malta	Horwath Malta	EMEA
Mauritius	Crowe Horwath ATA	EMEA
Mexico	Gossler SC	Americas
Montenegro	Crowe MNE	EMEA
Morocco	Horwath Maroc Audit	EMEA
Mozambique	Crowe Horwath Mozambique Limitada	EMEA
Nepal	B. K. Agrawal & Co.	Asia Pacific
Netherlands	Crowe Foederer B.V.	EMEA
Netherlands	Crowe Peak B.V.	EMEA
New Zealand	Crowe Australasia	EMEA
Nigeria	Crowe Dafinone	EMEA
Norway	Vidi Revisjon AS	EMEA
Norway	Crowe Partner Revisjon AS	EMEA
Oman	Crowe Mak Ghazali LLC	EMEA
Pakistan	Crowe Hussain Chaudhury And Co.	Asia Pacific
Panama	Crowe Panama Sociedad Civil	Americas
Paraguay	J.C. Descalzo & Asociados	Americas
Peru	Roncal, D'Angelo y Asociados S. Civil De R.L.	Americas
Philippines	Ramon F. Garcia & Company CPAs	Asia Pacific
Poland	Atwick Sp Z.o.o.	EMEA
Portugal	Horwath & Asociados, SROC, Lda.	EMEA
Puerto Rico	Crowe PR PSC	Americas
Qatar	Adib Al Chaa & Co Chartered Accountants	EMEA
Romania	Finexpert - Boscolo Consulting SRL	EMEA
Saudi Arabia	Al-Azem & Al-Sudairy Certified Public Accountants	EMEA
Senegal	Max Consulting Group (MCG)	EMEA
Serbia	Crowe RS doo	EMEA
Singapore	Crowe Horwath First Trust LLP	Asia Pacific
Slovakia	Crowe Advartis	EMEA
South Africa	Crowe HZK	EMEA
South Africa	Crowe JHB	EMEA
South Africa	Crowe Winelands (Pty) Ltd.	EMEA

Country	Firm	Region
South Korea	Hanul LLC	Asia Pacific
Spain	Crowe Auditores España S.L.P	EMEA
Spain	Crowe Advisory SP, SL	EMEA
Sri Lanka	Gajma and Co.	Asia Pacific
Suriname	Crowe Burgos Accountants N.V.	Americas
Sweden	Sydvisioner Vast AB	EMEA
Sweden	Kindberg Revision AB	EMEA
Sweden	Sydvisioner Aktiebolag	EMEA
Sweden	Crowe Osborne AB	EMEA
Sweden	Crowe Västerås AB	EMEA
Sweden	Nyström & Partners Revision KB	EMEA
Sweden	Crowe Tonnerviks Revision AB	EMEA
Sweden	Tonnerviks Horwath Revision Skane AB	EMEA
Switzerland	Alfa Treuhand- und Revisions AG	EMEA
Switzerland	Crowe Curator Tax AG	EMEA
Switzerland	Crowe Curator Audit AG	EMEA
Switzerland	S&A Tax and Audit SA	EMEA
Syria	Crowe Professional Auditors LV	EMEA
Taiwan	Crowe Horwath (TW) CPAs	Asia Pacific
Tajikistan	Crowe ACG	EMEA
Tanzania	Crowe Tanzania	EMEA
Thailand	ANS Audit Company Limited (to change to Crowe ANS)	Asia Pacific
Togo	Crowe TG Icaaf Sarl	EMEA
Tunisia	Cabinet Zahaf et Associes	EMEA
Tunisia	Horwath ACF	EMEA
Turkey	Kavram Bağımsız Denetim ve Danışmanlık A.Ş.	EMEA
Turkey	Crowe Horwath Olgu Bağımsız Denetim ve YMM A.S.	EMEA
Turkey	Mert 1 YMM ve Bağımsız Denetim A.S.	EMEA
Turkey	Crowe HSY AB	EMEA
Uganda	Crowe AIA	EMEA
Ukraine	Inter-Audit Crowe LLC	EMEA
Ukraine	AC Crowe Ukraine	EMEA
Ukraine	Crowe Audit & Accounting Ukraine LLC	EMEA
United Arab Emirates	Crowe Mak	EMEA
United Kingdom	Crowe U.K. LLP	EMEA
United States	Crowe LLP	Americas
United States	TRUSTA, An Accountancy Corporation	Americas
Uruguay	Stavros Moyat y Asociados SRL	Americas
Uzbekistan	Crowe TAC	EMEA
Venezuela	SC Marquez Perdomo & Asociados	Americas
Vietnam	Crowe Vietnam Co., Ltd.	Asia Pacific
Yemen	Crowe AHFAD	EMEA
Zimbabwe	Crowe Zimbabwe	EMEA



Contact us

Crowe Malaysia PLT
Level 16, Tower C
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Malaysia

Tel. +603 2788 9898

About us

About Crowe Malaysia

Crowe Malaysia is the 5th largest accounting firm in Malaysia and an independent member of Crowe Global. The firm in Malaysia has 14 offices, employs over 1,200 staff, serves mid-to-large companies that are privately-owned, publicly-listed and multinational entities, and is registered with the Audit Oversight Board in Malaysia and the Public Company Accounting Oversight Board in the US.

About Crowe Global

Crowe Global is one of the top 10 accounting networks with over 200 independent accounting and advisory firms in more than 145 countries. For almost 100 years, Crowe has made smart decisions for multinational clients working across borders. Our leaders work with governments, regulatory bodies and industry groups to shape the future of the profession worldwide. Their exceptional knowledge of business, local laws and customs provide lasting value to clients undertaking international projects.

www.crowe.my