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# 2024 Inspection Assenture PAC

(Headquartered in Singapore, Singapore)

May 22, 2025

THIS IS A PUBLIC VERSION OF A PCAOB INSPECTION REPORT

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## 2024 INSPECTION

In the 2024 inspection of Assentsure PAC, the Public Company Accounting Oversight Board (PCAOB) assessed the firm's compliance with laws, rules, and professional standards applicable to the audits of public companies. Our inspection was conducted in cooperation with the Accounting and Corporate Regulatory Authority.

We selected for review three audits of issuers with fiscal years ending in 2023. For each issuer audit selected, we reviewed a portion of the audit. We also evaluated elements of the firm's system of quality control.

### 2024 Inspection Approach

In selecting issuer audits for review, we use a risk-based method of selection. We make selections based on (1) our internal evaluation of audits we believe have a heightened risk of material misstatement, including those with challenging audit areas, and (2) other risk-based characteristics, including issuer and firm considerations. In certain situations, we may select all of the firm's issuer audits for review.

When we review an audit, we do not review every aspect of the audit. Rather, we generally focus our attention on audit areas we believe to be of greater complexity, areas of greater significance or with a heightened risk of material misstatement to the issuer's financial statements, and areas of recurring deficiencies. We may also select some audit areas for review in a manner designed to incorporate unpredictability.

Our selection of audits for review does not necessarily constitute a representative sample of the firm's total population of issuer audits. Additionally, our inspection findings are specific to the particular portions of the issuer audits reviewed. They are not an assessment of all of the firm's audit work or of all of the audit procedures performed for the audits reviewed.

View the details on the [scope of our inspections and our inspections procedures](#).

# OVERVIEW OF THE 2024 INSPECTION

The following information provides an overview of our 2024 inspection, which was our first inspection of this firm. We use a risk-based method to select audits for review and to identify areas on which we focus our review. Because our inspection process evolves over time, it can, and often does, focus on a different mix of audits and audit areas from inspection to inspection and firm to firm. Further, a firm's business, the applicable auditing standards, or other factors can change from the time of one inspection to the next. As a result of these variations, we caution that our inspection results are not necessarily comparable over time or among firms.

## Firm Data and Audits Selected for Review

	2024
<b>Firm data</b>	
Total issuer audit clients in which the firm was the principal auditor	21
Total issuer audits in which the firm was not the principal auditor	3
Total engagement partners on issuer audit work <sup>1</sup>	8
<b>Audits reviewed</b>	
Total audits reviewed <sup>2</sup>	3
Audits in which the firm was the principal auditor	3
Audits in which the firm was not the principal auditor	0
Integrated audits of financial statements and internal control over financial reporting (ICFR)	1
Audits with Part I.A deficiencies	3
Percentage of audits with Part I.A deficiencies	100%

If we include a deficiency in Part I.A of our report, it does not necessarily mean that the firm has not addressed the deficiency. In many cases, the firm has performed remedial actions after the deficiency

<sup>1</sup> The number of engagement partners on issuer audit work represents the total number of firm personnel (not necessarily limited to personnel with an ownership interest) who had primary responsibility for an issuer audit (as defined in AS 1201, *Supervision of the Audit Engagement*) or for the firm's role in an issuer audit during the twelve-month period preceding the outset of the inspection.

<sup>2</sup> The population from which audits are selected for review includes both audits for which the firm was the principal auditor and those where the firm was not the principal auditor but played a role in the audit.

was identified. Depending on the circumstances, remedial actions may include performing additional audit procedures, informing management of the issuer of the need for changes to the financial statements or reporting on ICFR, or taking steps to prevent reliance on prior audit reports.

Our inspection may include a review, on a sample basis, of the adequacy of a firm's remedial actions, either with respect to previously identified deficiencies or deficiencies identified during the current inspection. If a firm does not take appropriate actions to address deficiencies, we may criticize its system of quality control or pursue a disciplinary action.

If we include a deficiency in our report — other than those deficiencies for audits with incorrect opinions on the financial statements and/or ICFR — it does not necessarily mean that the issuer's financial statements are materially misstated or that undisclosed material weaknesses in ICFR exist. It is often not possible for us to reach a conclusion on those points based on our inspection procedures and related findings because, for example, we have only the information that the auditor retained and the issuer's public disclosures. We do not have direct access to the issuer's management, underlying books and records, and other information.

## Audit Areas Most Frequently Reviewed

This table reflects the audit areas we have selected most frequently for review in the 2024 inspection. For the issuer audits selected for review, we selected these areas because they were generally significant to the issuer's financial statements, may have included complex issues for auditors, and/or involved complex judgments in (1) estimating and auditing the reported value of related accounts and disclosures and (2) implementing and auditing the related controls.

2024	
Audit area	Audits reviewed
Revenue and related accounts	3
Cash and cash equivalents	3
Other investments	2
Long-lived assets	1
Related party transactions	1

# PART I: INSPECTION OBSERVATIONS

Part I.A of our report discusses deficiencies, if any, that were of such significance that we believe the firm, (1) at the time it issued its audit report(s), had not obtained sufficient appropriate audit evidence to support its opinion(s) on the issuer's financial statements and/or ICFR or (2) in audit(s) in which it was not the principal auditor, had not obtained sufficient appropriate audit evidence to fulfill the objectives of its role in the audit.

Part I.B discusses certain deficiencies, if any, that relate to instances of non-compliance with PCAOB standards or rules other than those where the firm had not obtained sufficient appropriate audit evidence to support its opinion(s) or fulfill the objectives of its role in the audit(s), including instances of non-compliance with PCAOB rules related to registration and reporting. This section does not discuss instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence.

Part I.C discusses instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules, if any, related to maintaining independence.

Consistent with the Sarbanes-Oxley Act ("Act"), it is the Board's assessment that nothing in Part I of this report deals with a criticism of, or potential defect in, the firm's quality control system. We discuss any such criticisms or potential defects in Part II. Further, you should not infer from any Part I deficiency, or combination of deficiencies, that we identified a quality control finding in Part II. Section 104(g)(2) of the Act restricts us from publicly disclosing Part II deficiencies unless the firm does not address the criticisms or potential defects to the Board's satisfaction no later than 12 months after the issuance of this report.

## Classification of Audits with Part I.A Deficiencies

Within Part I.A of this report, we classify each issuer audit in one of the categories discussed below based on the Part I.A deficiency or deficiencies identified in our review.

The purpose of this classification system is to group and present issuer audits by the number of Part I.A deficiencies we identified within the audit as well as to highlight audits with an incorrect opinion on the financial statements and/or ICFR.

### Audits with an Incorrect Opinion on the Financial Statements and/or ICFR

This classification includes instances where a deficiency was identified in connection with our inspection and, as a result, an issuer's financial statements were determined to be materially misstated, and the issuer restated its financial statements. It also includes instances where a deficiency was identified in connection with our inspection and, as a result, an issuer's ICFR was determined to be ineffective, or there were additional material weaknesses that the firm did not identify, and the firm withdrew its opinion, or revised its report, on ICFR.

This classification does not include instances where, unrelated to our review, an issuer restated its financial statements and/or an issuer's ICFR was determined to be ineffective. We include any

deficiencies identified in connection with our reviews of these audits in the audits with multiple deficiencies or audits with a single deficiency classification below.

## Audits with Multiple Deficiencies

This classification includes instances where multiple deficiencies were identified that related to a combination of one or more financial statement accounts, disclosures, and/or important controls in an ICFR audit.

## Audits with a Single Deficiency

This classification includes instances where a single deficiency was identified that related to a financial statement account or disclosure or to an important control in an ICFR audit.

# PART I.A: AUDITS WITH UNSUPPORTED OPINIONS

This section of our report discusses the deficiencies identified, by specific issuer audit reviewed, in the audit work supporting the firm's opinion(s) on the issuer's financial statements and/or ICFR.

We identify each issuer by a letter (e.g., Issuer A) and industry sector. Each deficiency could relate to several auditing standards, but we reference the PCAOB standard that most directly relates to the requirement with which the firm did not comply.

We present issuer audits below within their respective deficiency classifications (as discussed previously). Within the classifications, we generally present the audits based on our assessment as to the relative significance of the identified deficiencies, taking into account the significance of the financial statement accounts and/or disclosures affected, and/or the nature or extent of the deficiencies.

## Audits with an Incorrect Opinion on the Financial Statements and/or ICFR

None

## Audits with Multiple Deficiencies

### Issuer A – Real Estate

#### Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement and ICFR audits related to **Revenue** and **Long-lived Assets**.

## Description of the deficiencies identified

With respect to **Revenue**, for which the firm identified a fraud risk:

The issuer used two information-technology (IT) systems to initiate, process, and/or record transactions related to certain revenue recognized at various locations. In its testing of controls over this revenue, the firm tested two IT-dependent manual controls that used data and reports generated or maintained by these IT systems. The accuracy and completeness of these data and reports depended on effective IT general controls (ITGCs). The firm, however, did not test the operating effectiveness of the ITGCs over these IT systems. (AS 2201.44) As a result of this deficiency in the firm's testing of ITGCs, the firm's testing of these IT-dependent manual controls was not sufficient. (AS 2201.46)

The firm identified certain of the issuer's locations as "in-scope" locations for purposes of testing controls over the revenue. The firm selected for testing certain controls over the processing and recording of the revenue that consisted of the issuer's review and/or approval of (1) the detail sales price list, (2) sales price and other information in contracts, (3) certain sales reports, and (4) changes in estimated contract costs. The following deficiencies were identified:

- The firm did not perform sufficient procedures to test the operating effectiveness of these controls because the firm did not test the operating effectiveness of the controls at certain "in-scope" locations, which reported a significant amount of the revenue. (AS 2201.44)
- The firm did not perform any procedures to test, or test any controls over, the accuracy and completeness of the lists from which it selected its samples for testing. (AS 1105.10)
- For two of these controls, both of which involved the issuer's review of estimated revenue and contract costs, the firm did not evaluate the specific review procedures that the control owners performed to assess the appropriateness of these estimates. (AS 2201.42 and .44)

For certain other revenue, the following deficiencies were identified:

- The firm selected for testing a control over the processing and recording of this other revenue that consisted of the issuer's review and approval of the revenue distribution. The firm did not identify and test any controls over the accuracy and completeness of a report used in the operation of this control. (AS 2201.39)
- The firm used issuer-prepared reports to substantively test this other revenue but did not perform any procedures to test, or test any controls over, the accuracy and completeness of these reports. (AS 1105.10)

With respect to **Long-lived Assets**:

During the year, the issuer identified events indicating that the carrying value of its long-lived assets may not be recoverable and performed an impairment analysis for each project. The firm's approach for testing the impairment of long-lived assets was to test the issuer's process, and the firm identified certain of the issuer's locations as "in-scope" locations for purposes of testing long-lived assets for possible impairment. The following deficiencies were identified:



- The firm did not identify and test any controls over the issuer’s evaluation of long-lived assets for possible impairment. (AS 2201.39)
- The firm did not perform sufficient procedures to test the impairment of long-lived assets because the firm did not test such assets for possible impairment at certain “in-scope” locations, which held a significant portion of the issuer’s long-lived assets. (AS 2301.08)
- The firm used an issuer-prepared report to substantively test long-lived assets for possible impairment but did not perform any procedures to test, or test any controls over, the accuracy and completeness of this report. (AS 1105.10)

## Issuer B – Communication Services

### Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement audit related to **Revenue, Accounts Receivable, Variable Interest Entities (“VIEs”), and Related Party Transactions**.

### Description of the deficiencies identified

With respect to **Revenue**, for which the firm identified a fraud risk:

The issuer recognized revenue from contracts that included multiple performance obligations and allocated the total transaction price to the separate performance obligations based on relative standalone selling prices (SSPs). The firm selected a sample of transactions to test revenue. The following deficiencies were identified:

- The firm used issuer-prepared reports to substantively test revenue but did not perform any procedures to test, or test any controls over, the accuracy and completeness of these reports. (AS 1105.10)
- The firm did not perform sufficient procedures to evaluate the appropriateness of the issuer’s (1) determination of transaction price and (2) allocation of the transaction price to each performance obligation, because the firm did not evaluate the effect of a sales discount on the transaction price and did not test the SSPs used to allocate revenue to the separate performance obligations. (AS 2301.08 and .13)
- The issuer recognized certain revenue based on electronic activity. The firm used activity information produced by the issuer to evaluate whether the issuer satisfied its performance obligations related to this revenue but did not perform any procedures to test, or test any controls over, the accuracy and completeness of this information. (AS 1105.10)
- The issuer recognized certain other revenue over the performance period. The firm did not perform sufficient procedures to test whether the issuer satisfied its performance obligations because the firm did not evaluate the reasonableness of the performance period. (AS 2301.08 and .13)

With respect to **Accounts Receivable**:

Payments collected by the issuer were applied to the oldest outstanding accounts receivable balance first. The firm used a system-generated accounts receivable aging report to substantively test the allowance for doubtful accounts but did not perform procedures to test, or test any controls over, the accuracy of the report beyond agreeing a sample of balances from the accounts receivable aging report to the respective billings. (AS 1105.10)

With respect to **VIEs**:

The issuer derives revenue through consolidated VIEs and their subsidiaries and relies on contractual arrangements with the VIEs and their shareholders to control the business operations of the consolidated VIEs. The firm did not perform sufficient procedures to test the issuer's ability to consolidate the VIEs because it did not perform any procedures to evaluate the nature of certain uncertainties disclosed by the issuer regarding (1) the validity of the contractual arrangements with the VIEs and their subsidiaries, (2) the structure of the VIEs, and (3) its ability to enforce the contractual arrangements, and perform additional procedures to address the risks associated with those uncertainties. (AS 2301.08)

With respect to **Related Party Transactions**:

The firm did not identify and evaluate a departure from GAAP related to the issuer's omission of a disclosure required by FASB ASC Topic 850, *Related Party Disclosures*. (AS 2410.17; AS 2810.30 and 31)

## Issuer C – Information Technology

### Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement audit related to **Revenue** and **VIEs**. This was the firm's initial audit of this issuer.

### Description of the deficiencies identified

With respect to **Revenue**, for which the firm identified a fraud risk:

The issuer recognized revenue from contracts that included multiple performance obligations and allocated the total transaction price to the separate performance obligations based on relative SSPs. The firm's approach for testing the allocation of revenue to the separate performance obligations was to test the issuer's process. The following deficiencies were identified:

- The firm did not sufficiently evaluate whether the residual method that the issuer used to allocate the transaction price to the separate performance obligations was in conformity with FASB ASC Topic 606, *Revenue from Contracts with Customers* because the firm did not evaluate whether the SSPs of certain performance obligations were highly variable. (AS 2501.10)

- The firm did not sufficiently evaluate whether the issuer had a reasonable basis for the SSP of a performance obligation for certain transactions. (AS 2501.16)

With respect to **VIEs**:

The issuer derives revenue through a consolidated Variable Interest Entity (VIE) and its subsidiaries and relies on contractual arrangements with the VIE and its shareholders to control the business operations of the consolidated VIE. The firm did not perform sufficient procedures to test the issuer's ability to consolidate the VIE because it did not perform any procedures to evaluate the nature of certain uncertainties disclosed by the issuer regarding (1) the validity of the contractual arrangements with the VIE and its subsidiaries, (2) the structure of the VIE, and (3) its ability to enforce the contractual arrangements, and perform additional procedures to address the risks associated with those uncertainties. (AS 2301.08)

## Audits with a Single Deficiency

None

## PART I.B: OTHER INSTANCES OF NON-COMPLIANCE WITH PCAOB STANDARDS OR RULES

This section of our report discusses certain deficiencies that relate to instances of non-compliance with PCAOB standards or rules other than those where the firm had not obtained sufficient appropriate audit evidence to support its opinion(s), including instances of non-compliance with PCAOB rules related to registration and reporting. This section does not discuss instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence.

When we review an audit, we do not review every aspect of the audit. As a result, the areas below were not necessarily reviewed on every audit. In some cases, we assess the firm's compliance with specific PCAOB standards or rules on other audits that were not reviewed and include any instances of non-compliance below.

The deficiencies below are presented in numerical order based on the PCAOB standard or rule with which the firm did not comply. We identified the following deficiencies:

- In three audits, the firm did not assemble a complete and final set of audit documentation for retention within 45 days following the report release date. In these instances, the firm was non-compliant with AS 1215, *Audit Documentation*.
- In one of three audits reviewed, the firm did not establish an understanding of the terms of the audit engagement with the audit committee, record such understanding in an engagement letter, and determine that the audit committee acknowledged and agreed to the terms of the engagement. The engagement letter used for this integrated audit did not address the testing of the issuer's internal controls over financial reporting. In this instance, the firm was non-compliant with AS 1301, *Communications with Audit Committees*.

- In two of two audits reviewed, the firm's written communications to management and the audit committee about control deficiencies identified during the audit did not include the definitions of significant deficiencies and material weaknesses. In these instances, the firm was non-compliant with AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*.
- In two of three audits reviewed, the firm did not evaluate certain factors when determining that there were no risks of material misstatement related to a relevant assertion for a significant account and disclosure. In these instances, the firm was non-compliant with AS 2110, *Identifying and Assessing Risks of Material Misstatement*.
- In one of two audits reviewed, the firm's communication of a critical audit matter in the audit report included language that was inconsistent with information in the firm's audit documentation. In this instance, the firm was non-compliant with AS 3101, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*.
- The firm included inaccurate information for Item 1.3, *Primary Contact with the Board*, in its report on Form 2. In addition, the firm omitted required information from Item 5.1, *Firm's Offices*, in its report on Form 2. In these instances, the firm was non-compliant with PCAOB Rule 2200, *Annual Report*.
- In one of three audits reviewed, the firm's report on Form AP included inaccurate information related to the participation in the audit by an other accounting firm. In this instance, the firm was non-compliant with PCAOB Rule 3211, *Auditor Reporting of Certain Audit Participants*.
- In three other audits, including the previous audit of one issuer, the firm did not file its report on Form AP by the relevant deadline. In these instances, the firm was non-compliant with PCAOB Rule 3211, *Auditor Reporting of Certain Audit Participants*.
- In one other audit, the firm's report on Form AP included inaccurate information regarding the issuer CIK number. In this instance, the firm was non-compliant with PCAOB Rule 3211, *Auditor Reporting of Certain Audit Participants*.

## PART I.C: INDEPENDENCE

This section of our report discusses instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence. An instance of potential non-compliance with SEC rules or an instance of non-compliance with PCAOB rules does not necessarily mean that the Board has concluded the firm was not objective and impartial throughout the audit and professional engagement period. Although this section includes an instance of potential non-compliance that we identified, there may be other instances of non-compliance with SEC or PCAOB rules related to independence that were not identified through our procedures or the firm's monitoring activities.

### PCAOB-Identified

We identified the following instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence:

- Under Rule 2-01(c)(7) of Regulation S-X, an accountant is not independent if it is engaged to render audit or non-audit services to an issuer or its subsidiaries without that engagement having been pre-approved by the audit committee. In three audits reviewed, we identified one instance for one issuer in which the firm could provide no persuasive evidence of the necessary audit committee pre-approval.

### Firm-Identified

The firm did not bring to our attention any instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence.

While the firm did not bring to our attention any instances of potential non-compliance, the number, large or small, of firm-identified instances of potential non-compliance may be reflective of the size of the firm, including the number of associated firms; the design and effectiveness of the firm's independence monitoring activities; and the size and/or complexity of the issuers it audits, including the number of affiliates of those issuers. Therefore, we caution against making any comparison of firm-identified instances of potential non-compliance across firms.

## PART II: OBSERVATIONS RELATED TO QUALITY CONTROL

Part II of our report discusses criticisms of, and potential defects in, the firm's system of quality control.

We include deficiencies in Part II if an analysis of the inspection results, including the results of the reviews of individual audits, indicates that the firm's system of quality control does not provide reasonable assurance that firm personnel will comply with applicable professional standards and requirements. Generally, the report's description of quality control criticisms is based on observations from our inspection procedures.

This report does not reflect changes or improvements to the firm's system of quality control that the firm may have made subsequent to the period covered by our inspection. The Board does consider such changes or improvements in assessing whether the firm has satisfactorily addressed the quality control criticisms or defects no later than 12 months after the issuance of this report.

When we issue our reports, we do not make public criticisms of, and potential defects in, the firm's system of quality control, to the extent any are identified. If a firm does not address to the Board's satisfaction any criticism of, or potential defect in, the firm's system of quality control within 12 months after the issuance of our report, we will make public any such deficiency.

## APPENDIX A: FIRM'S RESPONSE TO THE DRAFT INSPECTION REPORT

Pursuant to Section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(a), the firm provided a written response to a draft of this report. Pursuant to Section 104(f) of the Act and PCAOB Rule 4007(b), the firm's response, excluding any portion granted confidential treatment, is attached hereto and made part of this final inspection report.

The Board does not make public any of a firm's comments that address a nonpublic portion of the report unless a firm specifically requests otherwise. In some cases, the result may be that none of a firm's response is made publicly available.

In addition, pursuant to Section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(b), if a firm requests, and the Board grants, confidential treatment for any of the firm's comments on a draft report, the Board does not include those comments in the final report. The Board routinely grants confidential treatment, if requested, for any portion of a firm's response that addresses any point in the draft that the Board omits from, or any inaccurate statement in the draft that the Board corrects in, the final report.

Reference	Finding	Firm's response
<b>PART 1A: AUDITS WITH UNSUPPORTED OPINIONS</b>		
<b>Issuer A – Real Estate</b>		
1	<p>With respect to <b>Long-lived Assets</b>:</p> <p>During the year, the issuer identified events indicating that the carrying value of its long-lived assets may not be recoverable and performed an impairment analysis for each project. The firm's approach for testing the impairment of long-lived assets was to test the issuer's process, and the firm identified certain of the issuer's locations as "in-scope" locations for purposes of testing long-lived assets for possible impairment. The following deficiencies were identified:</p> <ul style="list-style-type: none"> <li>The firm did not perform sufficient procedures to test the impairment of long-lived assets because the firm did not test such assets for possible impairment at certain "in-scope" locations, which held a significant portion of the issuer's long-lived assets. (AS 2301.08)</li> </ul>	<p>We respectfully but firmly disagree with the inspection team's assertion that the engagement team failed to include specific scope audit ("SSA") locations representing 43% of the issuer's real estate assets in its substantive testing of undiscounted cash flows. This assertion is factually inaccurate.</p> <p>As demonstrated in the "<b>Coverage Schedule for Revenue, Customer Deposits, and Real Estate Assets for the Inspection</b>" which had been provided to the inspection team during the inspection, the engagement team performed substantive audit procedures over <b>all three Full Scope Audit (FSA) locations and 32 SSA locations</b>, covering an aggregate of <b>88% of the issuer's total real estate properties development completed and under development</b>. This clearly includes the SSA locations that the inspection team has referred to in the preceding paragraph.</p> <p>The engagement team adopted a <b>risk-responsive audit strategy</b> consistent with AS 2301.37 and .42, selecting locations for testing based on size, risk indicators, and significance to the financial statements. The 88% coverage achieved far exceeds typical materiality thresholds and reflects a deliberate and well-supported professional judgment about where audit effort was most warranted.</p> <p>We believe the inspection team's conclusion may stem from a misclassification or misunderstanding of the tested population. We stand ready to clarify with the inspection team on the amount of work performed to reconcile the discrepancy and demonstrate unequivocally that the SSA locations comprising the aforementioned 43% were indeed tested.</p> <p>In light of this, we respectfully assert that the audit procedures performed were both <b>adequate and appropriate</b>, and that the engagement team</p>



Reference	Finding	Firm's response
		obtained <b>sufficient and appropriate audit evidence</b> to support its conclusions on the valuation of long-lived assets.
<b>Issuer B – Communication Services</b>		
2	<p>With respect to <b>Revenue</b>, for which the firm identified a fraud risk:</p> <p>The issuer recognized revenue from contracts that included multiple performance obligations and allocated the total transaction price to the separate performance obligations based on relative standalone selling prices (SSPs). The firm selected a sample of transactions to test revenue. The following deficiencies were identified:</p> <ul style="list-style-type: none"> <li>The firm used issuer-prepared reports to substantively test revenue but did not perform any procedures to test, or test any controls over, the accuracy and completeness of these reports. (AS 1105.10)</li> </ul>	<p><b>Sufficiency of Procedures for Testing Accuracy and Completeness of Execution Orders (EOs):</b> The inspection team's finding states that we did not perform any substantive procedures to test the accuracy and completeness of the Execution Orders (EOs). We strongly disagree with this conclusion and assert that our procedures were appropriately designed and executed to address the identified risks.</p> <p><b>Procedures Performed:</b></p> <ol style="list-style-type: none"> <li><b>Review of Framework Agreements:</b> We obtained and reviewed the signed framework contracts and published price lists. We verified that each EO sampled matched the agreed-upon terms, including pricing, quantities, and timing, ensuring the accuracy of the data in the EO.</li> <li><b>Recalculation of Revenue:</b> For each EO sampled, we independently recalculated the revenue based on the quantities and prices specified, confirming that recorded revenue accurately reflected the EO details.</li> <li><b>Variance Analysis:</b> We performed a variance analysis between broadcast schedules and EOs sampled to verify that revenue was recorded in alignment with the actual advertisements delivered. This analysis directly addressed the completeness of the EOs.</li> <li><b>Customer Confirmations:</b> We obtained confirmations from customers covering over 90% of total revenue, providing third-party corroboration that the revenue recognised based on the EOs was accurate and complete.</li> </ol> <p>We would also like to emphasise that the EOs sampled are all verified and approved by the customers with acknowledgement indicated on the EOs.</p>

Reference	Finding	Firm's response
		<p>With regard to the inspection team's observation that control testing was not performed, we wish to clarify that, in accordance with AS 2301, <b>testing the operating effectiveness of controls is not required</b> when the auditor does not intend to rely on them to reduce substantive audit procedures.</p> <p>Specifically, in accordance with <b>AS 2301.08</b>, auditors are required to design and implement audit procedures that are responsive to the assessed risks of material misstatement. In this audit, we assessed the risk related to the EOs and determined that sufficient appropriate audit evidence could be obtained through substantive procedures alone to support the accuracy and completeness of the EOs. As we did not place reliance on internal controls to reduce our substantive testing, there was no requirement under PCAOB standards to test the operating effectiveness of those controls. Our audit approach was designed in accordance with this principle and executed to address the identified audit risks directly.</p> <p>While <b>AS 1105.10</b> requires auditors to evaluate the reliability of information produced by the entity, PCAOB guidance acknowledges that <b>reliability can be assessed through multiple audit procedures, as indicated above, and not just control testing.</b></p> <p><b>Conclusion:</b></p> <p>Therefore, we did not simply obtain the EOs without performing any substantive testing. As per the above, the substantive testing performed provided sufficient and appropriate audit evidence, meeting the requirements of AS 1105.10.</p>
3	<p>With respect to <b>Accounts Receivable</b>:</p> <p>Payments collected by the issuer were applied to the oldest outstanding accounts receivable balance first. The firm used a system-generated accounts receivable aging report to substantively test the allowance for doubtful accounts but did not perform procedures to test, or test any controls over, the accuracy of the report beyond agreeing a sample of balances</p>	<p>We respectfully disagree with the inspection team's finding regarding our procedures over the accounts receivable (A/R) aging report and the allowance for doubtful accounts. Our firm conducted <b>extensive and appropriate audit procedures</b> in accordance with <b>AS 1105.10 (Audit Evidence)</b> to evaluate the accuracy, completeness, and reliability of the system-generated A/R aging report used in our substantive testing.</p> <p><b>1. Testing the Accuracy and Completeness of the A/R Aging Report</b></p>

Reference	Finding	Firm's response
	from the accounts receivable aging report to the respective billings. (AS 1105.10)	<p>Our audit procedures <b>extended well beyond</b> merely agreeing sample balances to billings. We performed the following additional substantive procedures to validate the accuracy and completeness of the system-generated A/R aging report:</p> <p>(a) <u>Reconciliation to the General Ledger and Financial Statements:</u></p> <p>We reconciled the total A/R balance per the aging report to the general ledger and trial balance, ensuring <b>completeness</b>.</p> <p>We sent confirmations via circularisation for 99.9% of the population of accounts receivables (11 samples against a population size of 13), and performed alternative procedures for non-replies, thereby confirming the accuracy of the amounts stated in the aging report. The issuer's practice of applying customer payments to the oldest outstanding A/R balances (FIFO method) <b>aligns with common practices</b> in the People's Republic of China ("PRC") and the broader industry. By obtaining <b>confirmation</b> of the balances with customers <b>with no unreconcilable differences</b> noted, it implies that the customers have <b>no dispute</b> with the company over the amount of outstanding balances. Had the customers disagreed with the earlier invoice amounts and/or refused to acknowledge those amounts, they would not have confirmed the entire outstanding balance, or they would have left some remarks to dispute the earlier invoices.</p> <p>(b) <u>Independent Aging Bucket Testing:</u></p> <p>We performed an <b>independent testing</b> of the accuracy of the aging of the accounts receivables, by comparing a representative sample of invoices to the aging report and <b>verifying</b> that the invoices are <b>correctly categorised</b> into the appropriate age bucket (e.g., 0-6 months, 6-12 months, etc). The population of accounts receivables consisted of 13 different customers. We tested a total of 6 customers across 10 aging buckets, with no exceptions noted.</p>

Reference	Finding	Firm's response
		<p>Our work confirmed that the balances were appropriately categorised in the aging report.</p> <p>The <b>main purpose</b> of ensuring that the aging report was accurate, was to assess the reasonableness of the issuer's allowance for doubtful accounts using the bucketing approach. As documented in our working papers, the amount of allowance using this approach was RMB 1.5 million (approximately \$0.2 million). However, client opted to use a higher amount at 1% of gross accounts receivable (i.e., \$0.8 million) in view of current economic conditions, for which we had also assessed the reasonableness. This amount is lower than our planning materiality of \$0.98 million, and given the upward adjustment by client, it was very unlikely for the amount of allowance for doubtful accounts to be materially misstated.</p> <p>(c) <u>Subsequent Cash Receipt Testing:</u></p> <p>We <b>traced collections</b> from a sample of outstanding balances per the aging report to subsequent cash receipts through the audit report date.</p> <p>We reviewed whether significant overdue balances remained unpaid. From the work done, we have <b>verified</b> that there were <b>no significant overdue balances</b>, and all balances aged more than a year had been fully repaid through our subsequent cash receipt testing, validating the appropriateness of the allowance for doubtful accounts.</p> <p><b>2. Evaluation of the Allowance for Doubtful Accounts</b>  The inspection team's finding does not consider the extensive procedures performed to validate management's estimate of the allowance for doubtful accounts, including:</p> <p>(a) <u>Independent Recalculation of the Allowance:</u>  We evaluated the issuer's allowance for doubtful accounts ("AFDA") methodology, which was calculated by applying the issuer's historical loss rates based on the AR aging to the 2023 AR aging and adjusting this amount</p>

Reference	Finding	Firm's response
		<p>for external factors including the 2023 PRC Gross Domestic Product growth rate and the AFDA reserve percentage of peer companies.</p> <p>We <b>mathematically tested</b> the issuer's calculation of the historical loss rates, which are integral to calculating the AFDA.</p> <p>We <b>evaluated the external factors</b> used in determining the AFDA by <b>independently</b> verifying the inputs, including the PRC Gross Domestic Product growth rate and the AFDA reserve percentage of a peer company. This holistic approach ensures that the AFDA calculation reflects both historical trends and current economic conditions.</p> <p><b>3. Retrospective Review of Prior Estimates</b>  We compared previous period estimates of doubtful accounts to actual write-offs, assessing the accuracy and reliability of management's forecasting.</p> <p>As can be seen from the financials, the amount of outstanding allowance is <b>not material</b> at approximately 1% of outstanding gross accounts receivables. There were also <b>no bad debts expenses</b> in the past 3 years.</p> <p>With regard to the inspection team's observation that control testing was not performed, we wish to clarify that, in accordance with AS 2301, <b>testing the operating effectiveness of controls is not required</b> when the auditor does not intend to rely on them to reduce substantive audit procedures. Specifically, in accordance with <b>AS 2301.08</b>, auditors are required to design and implement audit procedures that are responsive to the assessed risks of material misstatement. In this audit, we assessed the risk related to the allowance for doubtful accounts and determined that sufficient appropriate audit evidence could be obtained through substantive procedures alone to support the accuracy of the aging report. As we did not place reliance on internal controls to reduce our substantive testing, there was no requirement under PCAOB standards to test the operating effectiveness of those</p>

Reference	Finding	Firm's response
		<p>controls. Our audit approach was designed in accordance with this principle and executed to address the identified audit risks directly.</p> <p>While <b>AS 1105.10</b> requires auditors to evaluate the reliability of information produced by the entity, PCAOB guidance acknowledges that <b>reliability can be assessed through multiple audit procedures, not just control testing. We did not rely solely on system reports</b> but performed <b>substantive validation procedures</b> on the aging data to confirm its accuracy. The final determination of the allowance was based on applying a percentage to the total outstanding accounts receivables, <b>without reliance on the aging report.</b></p>
4	<p>With respect to <b>VIEs</b>:</p> <p>The issuer derives revenue through consolidated VIEs and their subsidiaries and relies on contractual arrangements with the VIEs and their shareholders to control the business operations of the consolidated VIEs. The firm did not perform sufficient procedures to test the issuer's ability to consolidate the VIEs because it did not perform any procedures to evaluate the nature of certain uncertainties disclosed by the issuer regarding (1) the validity of the contractual arrangements with the VIEs and their subsidiaries, (2) the structure of the VIEs, and (3) its ability to enforce the contractual arrangements, and perform additional procedures to address the risks associated with those uncertainties. (AS 2301.08)</p>	<p>We respectfully disagree with the finding regarding our audit procedures related to the issuer's consolidation of Variable Interest Entities (VIEs). We believe that our audit team performed sufficient and appropriate audit procedures in accordance with PCAOB standards, including AS 2301.08, to assess the issuer's ability to consolidate the VIEs.</p> <p><b>Risk Assessment</b> The engagement team performed the following <b>risk assessment</b> procedures related to VIEs:</p> <ul style="list-style-type: none"> <li>Updated its understanding of the issuer's industry, regulatory environment, rationale for using VIEs, and the issuer's organisation structure;</li> <li>Inquired of the issuer's management as to whether there were any changes in 2023 that affected the issuer's business, operations, and accounting, noting no such changes.</li> </ul> <p><b>Substantive Procedures:</b> The engagement team performed the following <b>substantive procedures</b> to test VIEs:</p>

Reference	Finding	Firm's response
		<ol style="list-style-type: none"> <li>1. Obtained and reviewed VIEs <b>accounting memorandum</b> prepared by the Issuer and concurred with the Issuer's conclusion that the VIEs contractual arrangements met the requirements of FASB ASC Topic 810, <i>Consolidation</i> ("ASC 810").</li> <li>2. To <b>assess management's assessment</b> in (1) above, we reviewed the contractual agreements between the issuer and the VIEs, confirming that the issuer was the primary beneficiary of the VIEs and concluded that the VIEs met the consolidation requirements under ASC 810.</li> <li>3. Inspected the issuer's <b>meeting minutes</b> to confirm that actions taken by the issuer, its subsidiaries, the VIEs, and its shareholders were consistent with the common control assertion of ASC 810.</li> <li>4. <b>Evaluated</b> whether the issuer's subsidiaries met the <b>requirements</b> of ASC 810 for consolidation based on the issuer's equity investments in these subsidiaries.</li> <li>5. <b>Verified</b> the issuer's controlling shareholders remained unchanged after its 2019 corporate reorganisation and all new subsidiaries incorporated were under common control by the controlling shareholders.</li> <li>6. Obtained and reviewed the issuer's <b>current corporate structure</b>, noting no change in the current year.</li> <li>7. We evaluated the issuer's VIE <b>disclosures</b> in Form 20-F regarding risks related to the VIE structure and considered potential implications on consolidation. We also tested the accuracy and completeness of VIEs disclosures.</li> <li>8. During the audit, we confirmed with management that there were <b>no legal or regulatory issues</b> regarding the VIE structure by</li> </ol>

Reference	Finding	Firm's response
		<p>inspecting the current year shareholder agreement and reviewing the VIE corporate profile by <b>verifying with shareholder</b>. The issuer disclosed uncertainties regarding future PRC regulations, but there was no present evidence of non-compliance or ongoing investigations that would affect the consolidation.</p> <p>9. The issuer's business model, centred on advertisement and content production, remains <b>consistent with other companies operating under VIE structures in China</b> since our first-year audit engagement 3 years ago. We observed no significant changes in the operational or legal framework of the VIEs that would increase risk or complexity. The issuer's <b>operations aligned with industry norms</b>, and there were no indications of fraudulent activity or management override. The audit procedures performed did not identify any fraud risks or anomalies in the VIE transactions. The <b>absence of such red flags</b>, combined with the <b>rigorous control environment</b> in place, supported the conclusion that the VIE structure posed no immediate or significant financial statement risk.</p> <p>10. We acknowledge the inherent uncertainties related to the legal enforceability of VIE contractual arrangements in certain jurisdictions. However, the issuer had previously obtained <b>independent legal opinions</b> from reputable counsel regarding the validity and enforceability of the contractual arrangements under applicable law. Our engagement team <b>independently reviewed</b> these legal opinions and considered any limitations or risks highlighted therein as part of our audit. Additionally, no contradicting evidence was identified suggesting that these arrangements were invalid or unenforceable. The issuer's PRC legal counsel <b>explicitly confirmed the legality of the VIE contracts under existing PRC laws</b>. While we acknowledge that PRC regulations may evolve, we determine based on the <b>inquiry with legal counsel</b>, that there were no specific indicators or changes in PRC law that would render the VIE arrangements illegal or invalid.</p>



Reference	Finding	Firm's response
		<p><b>This was a critical factor in our risk assessment.</b> FY 2023 was our <b>third year</b> as auditors and we have gained substantial understanding in this area.</p> <p><b>11.</b> We conducted <b>independent research</b> to evaluate risks related to enforceability. We examined whether other companies operating under similar VIE structures had faced actual enforcement issues in the jurisdiction. No adverse findings were identified. Our audit partners have experience auditing over 10 issuers that employ similar VIE structures. These types of arrangements are widely adopted by companies with operations in China, particularly in sectors where foreign investment is restricted or subject to government approval. As such, the use of VIE structures is a relatively well-established and commonly accepted practice within the market, and the risks associated with enforceability are generally understood and managed accordingly by market participants.</p> <p>Our audit documentation <b>fully</b> supports the procedures performed, the evidence obtained, and our conclusion on the issuer's ability to consolidate the VIEs. The engagement team, including senior reviewers, <b>thoroughly assessed and documented key judgments and considerations</b> regarding the VIE structure.</p> <p>We respectfully submit that the risks disclosed in the issuer's Form 20-F - such as uncertainties in the PRC legal system and the enforceability of VIE contractual arrangements - are <b>standard and widely acknowledged risks</b> associated with VIE structures for companies operating in China. These disclosures are <b>precautionary</b> and stem from regulatory guidance and market expectations for transparency. <b>They do not, in themselves, indicate that a material misstatement is likely or imminent.</b> Rather, they reflect <b>hypothetical scenarios that may never occur</b> in practice. As such, while these risks were appropriately disclosed for completeness and transparency, they do not, in our professional judgment, give rise to a reasonable</p>

Reference	Finding	Firm's response
		expectation of material misstatement under existing conditions. This position is consistent with our review of the VIE structure's legal and contractual enforceability, the absence of adverse regulatory developments, and our substantive audit procedures confirming the appropriateness of consolidation.
<b>Issuer C – Information Technology</b>		
5	<p>With respect to VIEs:</p> <p>The issuer derives revenue through a consolidated Variable Interest Entity (VIE) and its subsidiaries and relies on contractual arrangements with the VIE and its shareholders to control the business operations of the consolidated VIE. The firm did not perform sufficient procedures to test the issuer's ability to consolidate the VIE because it did not perform any procedures to evaluate the nature of certain uncertainties disclosed by the issuer regarding (1) the validity of the contractual arrangements with the VIE and its subsidiaries, (2) the structure of the VIE, and (3) its ability to enforce the contractual arrangements, and perform additional procedures to address the risks associated with those uncertainties. (AS 2301.08)</p>	<p>We respectfully disagree with the finding regarding our audit procedures related to the issuer's consolidation of Variable Interest Entities (VIEs). We believe that our audit team performed sufficient and appropriate audit procedures in accordance with PCAOB standards, including AS 2301.08, to assess the issuer's ability to consolidate the VIEs.</p> <p><u>Risk Assessment</u> The engagement team performed the following <b>risk assessment</b> procedures related to VIEs:</p> <ul style="list-style-type: none"> <li>• Updated its understanding of the issuer's industry, regulatory environment, rationale for using VIEs, and the issuer's organisation structure;</li> <li>• Inquired of the issuer's management as to whether there were any changes in 2023 that affected the issuer's business, operations, and accounting, noting no such changes.</li> </ul> <p><u>Substantive Procedures:</u> The engagement team performed the following <b>substantive procedures</b> to test VIEs:</p> <ol style="list-style-type: none"> <li>1. Obtained and reviewed VIEs <b>accounting memorandum</b> prepared by the Issuer and concurred with the Issuer's conclusion that the VIEs contractual arrangements met the requirements of FASB ASC Topic 810, <i>Consolidation</i> ("ASC 810").</li> </ol>

Reference	Finding	Firm's response
		<p>2. To assess <b>management's assessment</b> in (1) above, we reviewed the contractual agreements between the issuer and the VIEs, confirming that the issuer was the primary beneficiary of the VIEs and concluded that the VIEs met the consolidation requirements under ASC 810.</p> <p>3. Inspected the issuer's <b>meeting minutes</b> to confirm that actions taken by the issuer, its subsidiaries, the VIEs, and its shareholders were consistent with the common control assertion of ASC 810.</p> <p>4. <b>Evaluated</b> whether the issuer's subsidiaries met the <b>requirements</b> of ASC 810 for consolidation based on the issuer's equity investments in these subsidiaries.</p> <p>5. <b>Verified</b> the issuer's controlling shareholders remained unchanged after March 2023 listing.</p> <p>6. Obtained and reviewed the issuer's <b>current corporate structure</b>, noting no change in the current year.</p> <p>7. We evaluated the issuer's VIE <b>disclosures</b> in Form 20-F regarding risks related to the VIE structure and considered potential implications on consolidation. We also tested the accuracy and completeness of VIEs disclosures.</p> <p>8. During the audit, we confirmed with management that there were <b>no legal or regulatory issues</b> regarding the VIE structure by inspecting the current year shareholder agreement and reviewing the VIE corporate profile by <b>verifying with shareholder</b>. The issuer disclosed uncertainties regarding future PRC regulations, but there was no present evidence of non-compliance or ongoing investigations that would affect the consolidation. We obtained <b>explicit written representations</b> from management confirming that the VIEs had been appropriately identified, consolidated, and</p>

Reference	Finding	Firm's response
		<p>disclosed in accordance with FASB ASC Topic 810. This formal representation further supported our conclusion that the VIEs were correctly accounted for and consolidated in the Issuer's financial statements.</p> <p>9. The issuer's business model, centred on advertisement and content production, remains <b>consistent with other companies operating under VIE structures in China</b>. We observed no significant changes in the operational or legal framework of the VIEs that would increase risk or complexity. The issuer's <b>operations aligned with industry norms</b>, and there were no indications of fraudulent activity or management override. The audit procedures performed did not identify any fraud risks or anomalies in the VIE transactions. The <b>absence of such red flags</b>, combined with the <b>rigorous control environment</b> in place, supported the conclusion that the VIE structure posed no immediate or significant financial statement risk.</p> <p>10. We acknowledge the inherent uncertainties related to the legal enforceability of VIE contractual arrangements in certain jurisdictions. However, the issuer had previously obtained <b>independent legal opinions</b> from reputable counsel regarding the validity and enforceability of the contractual arrangements under applicable law. Our engagement team <b>independently reviewed</b> these legal opinions and considered any limitations or risks highlighted therein as part of our audit. Additionally, no contradicting evidence was identified suggesting that these arrangements were invalid or unenforceable. The issuer's PRC legal counsel <b>explicitly confirmed the legality of the VIE contracts under existing PRC laws</b>. While we acknowledge that PRC regulations may evolve, we determine based on the <b>inquiry with legal counsel</b>, that there were no specific indicators or changes in PRC law that would render the VIE arrangements illegal or invalid. <b>This was a critical factor in our risk assessment.</b></p>

Reference	Finding	Firm's response
		<p>11. We conducted <b>independent research</b> to evaluate risks related to enforceability. We examined whether other companies operating under similar VIE structures had faced actual enforcement issues in the jurisdiction. No adverse findings were identified. Our audit partners have experience auditing over 10 issuers that employ similar VIE structures. These types of arrangements are widely adopted by companies with operations in China, particularly in sectors where foreign investment is restricted or subject to government approval. As such, the use of VIE structures is a relatively well-established and commonly accepted practice within the market, and the risks associated with enforceability are generally understood and managed accordingly by market participants.</p> <p>12. <b>Specific tax procedures were performed</b> over the VIEs to assess their compliance with applicable tax regulations, confirming that no tax-related issues arose that could have an impact on the consolidation or financial position of the VIEs.</p> <p>13. We performed procedures to identify litigation, claims, and assessments that could affect the VIE structure. This included a <b>thorough review of the legal letters</b> obtained from the issuer's external counsels. No litigation or regulatory actions were identified that would suggest a material risk of deconsolidation or enforceability issues concerning the VIE arrangements.</p> <p>14. The Form 20-F was <b>thoroughly reviewed</b> by the issuer's management and its legal counsel prior to its approval and release. This review process was undertaken to ensure that all disclosures, including those related to the VIE structure and associated risks, were accurate, complete, and in compliance with applicable regulatory requirements</p>

Reference	Finding	Firm's response
		<p>Our audit documentation <b>fully</b> supports the procedures performed, the evidence obtained, and our conclusion on the issuer's ability to consolidate the VIEs. The engagement team, including senior reviewers, <b>thoroughly assessed and documented key judgments and considerations</b> regarding the VIE structure.</p> <p>We respectfully submit that the risks disclosed in the issuer's Form 20-F - such as uncertainties in the PRC legal system and the enforceability of VIE contractual arrangements - are <b>standard and widely acknowledged risks</b> associated with VIE structures for companies operating in China. These disclosures are <b>precautionary</b> and stem from regulatory guidance and market expectations for transparency. <b>They do not, in themselves, indicate that a material misstatement is likely or imminent.</b> Rather, they reflect <b>hypothetical scenarios that may never occur</b> in practice. As such, while these risks were appropriately disclosed for completeness and transparency, they do not, in our professional judgment, give rise to a reasonable expectation of material misstatement under existing conditions. This position is consistent with our review of the VIE structure's legal and contractual enforceability, the absence of adverse regulatory developments, and our substantive audit procedures confirming the appropriateness of consolidation.</p>
<b>PART LB: OTHER INSTANCES OF NON-COMPLIANCE WITH PCAOB STANDARDS OR RULES</b>		
6	In three audits, the firm did not assemble a complete and final set of audit documentation for retention within 45 days following the report release date. In these instances, the firm was non-compliant with AS 1215, Audit Documentation.	<p>We respectfully submit that our firm, Assenture PAC, should not be held responsible for this finding, as we were neither the principal auditor nor the other auditor responsible for the audit. Assenture PAC's involvement was limited solely to providing staff to the principal auditor's firm under a temporary staff loan arrangement. The principal auditor's firm and their engagement team retained full responsibility for planning, executing, and completing the audit, including compliance with AS 1215 audit documentation requirements.</p> <p>To provide some background information, we believe this finding arose from a misunderstanding in relation to the Issuer Information Form – Non-</p>

Reference	Finding	Firm's response
		<p>U.S. ("IIF") provided to the inspection team. As a foreign PCAOB-registered audit firm undergoing its first inspection, our personnel completed the IIF to the best of their knowledge and ability, with the intention of ensuring full transparency to facilitate the process. Any inaccuracies in the reported or disclosed information were unintentional and resulted from an inadvertent misinterpretation or unfamiliarity. We sincerely regret any confusion, misunderstanding, or inconvenience caused by incomplete communication with the inspection team.</p> <p><b><u>Our Role in the Engagement</u></b></p> <p>Assenture PAC was <b>not the principal auditor nor the other auditor</b> for the audits in question. Instead, Assenture PAC's role was <b>limited to loaning staff to the engagement team</b>, which was primarily from the <b>principal auditor's firm</b>.</p> <p><b>1. We Did Not Direct or Control the Audit Engagement</b> Assenture PAC's position is that its arrangement with the principal auditor involved loaned staff. Assenture PAC has a Master Agreement with the principal auditor's firm for the use of loaned staff, and amongst others, it is indicated that Assenture PAC will conduct fieldwork in accordance with the principal auditor's instructions and the audit program and procedures agreed upon between Assenture PAC and the principal auditor. The loaned staff align with the description of "other professional staff employed or engaged" by the lead auditor - performing audit procedures or assisting the engagement partner with planning or supervision - rather than meeting the definition of an "other auditor" as per AS 2101 Annex A – Definitions. Therefore, Assenture PAC's loaned staff is part of the engagement team, but at no point did Assenture PAC's loaned staff direct or control the audit engagement. Accordingly, the overall responsibility for compliance with AS 1215, including the assembly of final audit documentation, rested with the <b>principal auditor's firm</b>.</p>

Reference	Finding	Firm's response
		<p>We would like to outline that for every work order entered between the <b>principal auditor's firm</b> and Assentsure PAC for loan of staff, the <b>principal auditor's firm</b> will have a proper engagement team, comprising of their engagement partner, their engagement quality reviewer, their audit manager and other audit staff of various levels fully taking charge of the engagement. Thus, our personnel that are loaned to the <b>principal auditor's firm</b> were not actively involved in all phases and facets of the audit engagement, and played a diminished role to support and assist the <b>principal auditor</b> in any audit documentation that the <b>principal auditor</b> instructed our loaned staff to perform. Our firm nor our loaned staff did not play any pivotal role at any point in time throughout the course of the engagement. The <b>principal auditor's firm</b>, being the principal and lead auditor, is responsible for supervising the individuals participating in the audit, including both its employees and our loaned staff, which are effectively treated as part of their engagement team.</p> <p>Although the generic terms of the agreement state that our loaned staff will perform certain scope of work, the actual tasks executed or carried out in practice vary and <b>did not encompass</b> the entire scope. Our loaned staff that were loaned out under the work order did not influence or perform work out of the <b>principal auditor's</b> instructions or purview and are directly under their close supervision at all times.</p> <p>2. <b>We Were Not Responsible for the Final Audit File Assembly</b> Given the above, while our loaned staff contributed to audit procedures under the supervision of the <b>principal auditor</b>, we had no authority over how or when the <b>principal auditor</b> finalised its audit documentation. The <b>principal auditor</b> uses CCH audit software for their audit engagements. Our personnel who were loaned out, performed work instructed by the <b>principal auditor</b> and all audit documentation were subsequently sent to the <b>principal auditor</b> for their retention in their CCH binder. If there were any amendment or revision to the final audit documentation, which would need to be assembled for retention within</p>



Reference	Finding	Firm's response
		<p>45 days, it would be the ultimate responsibility and duty of the <b>principal auditor</b> to ensure these procedures are duly complied. Our personnel that were on loan would not be aware or be notified by the <b>principal auditor</b> on changes that would be made to the final audit documentation by the <b>principal auditor</b> since the ownership and custody of the audit documentation are with the <b>principal auditor's firm</b>, and our personnel on loan will be released upon completing the tasks and work instructed by the <b>principal auditor</b>.</p> <p><b>3. Audit Documentation Policies Were Dictated by the Principal Auditor</b>  Any documentation requirements, including completion timelines, were managed by the <b>principal auditor</b>, not Assentsure PAC or our loaned personnel. The <b>principal auditor</b> does not share the proprietary rights of the final audit documentation with us and the <b>principal auditor</b> has no obligation to inform us and our loaned staff when and what proceedings they will perform or plan to do for the satisfactory assembly of audit documentation. In addition, the <b>principal auditor</b> has never asked Assentsure PAC or our loaned staff to assist and support in the aforementioned.</p> <p><b><u>Our Workpapers May Not be the Final Version and are Incomplete on Their Own</u></b>  As a result, any copies of audit working papers prepared by our loaned staff <b>may not reflect</b> the final version included in the <b>principal auditor's</b> final audit file assembly. The primary purpose of audit documentation is to provide a written record supporting the auditor's conclusions. Therefore, it would <b>not be meaningful</b> for our loaned staff to assemble a complete and final set of audit documentation for retention, given that:</p> <ol style="list-style-type: none"> <li>1. The workpapers prepared by our loaned staff are <b>inherently incomplete</b> on their own, as they form only a portion of the <b>principal auditor's</b> overall audit documentation. Instead, the principal auditor</li> </ol>

Reference	Finding	Firm's response
		<p>issuing the audit report has the <b>responsibility</b> of assembling the complete audit documentation.</p> <p>2. The <b>principal auditor</b> has the discretion to modify or finalise the workpapers prepared by our loaned staff without notifying us, and there is no professional standard requiring them to communicate such revisions to us. Consequently, the workpapers that our loaned staff prepare may not necessarily represent the finalised version used to support the principal auditor's conclusions. Therefore, it would be <b>futile</b> to assemble our workpapers as our workpapers in their current form may not support the audit opinion issued by the <b>principal auditor</b>.</p>
7	In two of three audits reviewed, the firm did not evaluate certain factors when determining that there were no risks of material misstatement related to a relevant assertion for a significant account and disclosure. In these instances, the firm was non-compliant with AS 2110, Identifying and Assessing Risks of Material Misstatement.	Please refer to our response for #4 and #5 above.
8	In one audit reviewed, the engagement team determined that there were no critical audit matters, but did not include the required language, and the appropriate title, in the auditor's report. In this instance, the firm was non-compliant with AS 3101, The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion.	<p>We respectfully disagree with the finding. The audit report was dated March 14, 2024. The Form 20-F/A was filed on April 18, 2024 which included the required disclosure.</p> <p><b>1. The Firm Acted in Good Faith and Identified the Issue During Archival</b></p> <p>During our post-issuance <b>archival process</b>, the firm <b>proactively identified</b> that the issuer did not qualify as an <b>Emerging Growth Company (EGC)</b> under the SEC definition. As a result, we <b>immediately recognised</b> that CAM disclosure requirements under PCAOB standards applied to this engagement.</p> <p>This demonstrates that our firm <b>operates with diligence and a strong commitment to compliance</b>, proactively addressing any discrepancies to uphold the <b>integrity</b> of our audit reports.</p>

Reference	Finding	Firm's response
		<p><b>2. Immediate Corrective Actions Taken</b></p> <p>Upon identification of the issue, the firm acted swiftly to rectify the matter:</p> <ul style="list-style-type: none"> <li>• <b>Legal Consultation:</b> We consulted with legal counsel to confirm the correct course of action.</li> <li>• <b>Client Notification:</b> The <b>Audit Committee and management</b> were promptly informed of the need to revise the audit report.</li> <li>• <b>Timely Revision &amp; Refiling:</b> A <b>revised audit opinion</b> was issued, explicitly stating that no CAMs were identified, in full compliance with <b>AS 3101.16</b>. This corrected opinion was filed as part of Form <b>20-F/A on April 18, 2024</b>.</li> <li>• <b>Documentation in Workpapers:</b> The actions taken were thoroughly documented in our <b>workpaper 10.152</b> ("Memorandum of EGC Disclosure in Audit Opinion"), ensuring clear audit trails.</li> </ul> <p>These actions underscore <b>Assentsure PAC's strong commitment to regulatory compliance and timely remediation</b>, eliminating any potential impact on investors or financial statement users.</p> <p><b>3. No Adverse Impact on the Audit's Reliability or Users of Financial Statements</b></p> <p>At no point did the omission <b>compromise the integrity</b> of the audit opinion. The audit was performed in strict accordance with PCAOB auditing standards, and our procedures were executed with due professional care. The absence of a CAM section in the initial report was an <b>administrative oversight</b>, promptly corrected without affecting the <b>audit's conclusions, investor confidence, or regulatory compliance</b>. There was no impact on the audit opinion's validity.</p> <p>We would also like to take this opportunity to highlight that the above corrective action were undertaken by our Firm, even before the inspection team raised the finding during the September 2024 inspection.</p>
Redacted pursuant to Section 104(f) and/or (g)(2) of the Sarbanes-Oxley Act.		

