

NURTURING GROWTH & SUSTAINING SUCCESS

**DISCOVER THE REMARKABLE
RISE OF CHENG & CO, FROM
ITS HUMBLE BEGINNINGS
TO BECOMING MALAYSIA'S
LARGEST HOMETGROWN
ACCOUNTING FIRM.**

Cheng & Co, originating in Malaysia, began as a modest accounting firm co-founded by Dato' Dr Chua Hock Hoo in 1998.

From its humble start with merely three staff members, it has expanded to encompass 300 employees across 13 branches situated strategically throughout Malaysia. Catering to approximately 8,000 clients, both corporate entities and individuals, Cheng & Co has emerged as the largest homegrown accounting firm in the nation. Besides that, Cheng & Co also has overseas branches.

Dato' Dr Chua sits down with *4EJournazine* to discuss Cheng & Co's core values and its pivotal role in fostering a nurturing corporate culture, ultimately contributing to the firm's sustainability in the ever-changing business landscape.

4EJ: Could you elaborate on Cheng & Co Group of Companies' core values and how they contribute to the firm's sustainability in the ever-changing business environment?

Dato' Dr Chua: Sustainability isn't typically linked with professional services, yet it's attainable even for a small accounting firm. Cultivating a nurturing culture plays a pivotal role in this endeavour.

Annually, we bring in new staff members who undergo the Dominance, Influence, Steadiness and Compliance (DISC) assessment, aiding us in understanding their behaviours and priorities. Subsequently, they enrol in a year-long training programme designed to equip them for future leadership roles and to optimise their potential.

4EJ: The decision to list Cheng & Co Group of Companies on the LEAP Market of Bursa Malaysia is a significant step. What challenges did the firm face during this process?

Dato' Dr Chua: Traditionally, accounting firms are not inclined towards pursuing an initial public offering (IPO). However, in 2018, we made a strategic decision to split the company, aligning with the no-audit prerequisites for an IPO and concurrently launching our multi-family office solutions.

This ambitious initiative was dubbed the 'Mount Kinabalu Project', coinciding with our company's 25th anniversary. To commemorate this milestone, 45 team members embarked on a mission to conquer Mount Kinabalu in September 2018. Remarkably, 27 of us reached the peak, with me among the top 5 finishers, marking an inspiring moment for our team.

Securing a listing took nearly five years of diligent effort. Bursa Malaysia endorsed our aspirations, emphasising the significance of sustainability for listing in the LEAP market. Upholding this principle, even amid pandemic-induced lockdowns when numerous companies faced losses, our revenue surged by 4.7%, underscoring our commitment to sustainability and consistent growth.

4EJ: Cheng & Co has ventured into multi-family office solutions. How do Cheng & Co's family office solutions address challenges faced by entrepreneurial families and contribute to sustainable business growth for their clients?

Dato' Dr Chua: Singapore pioneered the concept of the multi-family office around three to four years ago, amassing over 1,000 registrations since its inception. On June 19, 2023, our Prime Minister Dato' Seri Anwar Ibrahim announced the initiation of a similar multi-family office framework aimed at attracting investments.

By this year, the groundwork

should be set for its launch in Malaysia. This innovative solution addresses a common challenge among high-net-worth individuals—the potential dissolution of family businesses and wealth distribution among heirs, potentially fracturing the established business legacy. The multi-family office offers a structured approach to managing the company, ensuring its continuity and effective governance across generations.

The creation of a structured holding company facilitates the seamless transfer of wealth from one generation to the next, preserving the business entity's integrity. By keeping the company and its wealth consolidated, it ensures enhanced capital and resources.

Additionally, we curate lifestyle events for our multi-family office clients, recognising the need to take a break from their busy schedules. These events include activities like exclusive fine wine talks and trips to environmentally conscious destinations like the Jing Mai Mountain Pu'er Tea Plantation in Kunming, Yunnan Province, China. This plantation's sustainable management, devoid of chemicals or fertilisers, aligns perfectly with our sustainability ethos.

4EJ: You were elected as a board member of FPAM. How does the firm envision its contributions to the family office market through this role, and how does it align with Cheng & Co's broader commitment to social responsibility?

Dato' Dr Chua: The financial planning industry is still in its early stages of development. Our aim is to inspire more individuals to join FPAM, not only to promote lifelong education but also to emphasise the significance of comprehensive financial advice beyond pushing products. We are open to sharing insights about the family office concept with financial planners, and we hope to encourage more service providers in this domain.

4EJ: What role do you see academia playing in producing capable professional service graduates for the market's evolving needs?

Dato' Dr Chua: With FPAM's backing, our aspiration is to facilitate the training of additional accountants and financial planners. FPAM has actively collaborated with tertiary institutions to craft syllabi and establish courses aimed at enhancing expertise in these fields.

In 2023, Cheng & Co Group of Companies joined hands with Malaysian University of Science and Technology (MUST), marked by the signing of a memorandum of understanding (MOU). Aiming to aid undergraduates in Malaysia today who are facing difficulties in securing employment and career, the MOU entails a partnership with MUST where MUST students may, to meet their studies' industrial training requirement, engage in full-time employment with Cheng & Co Group of Companies, allowing them to meet their studies' graduation requirement and to also earn some income to support their education.

4EJ: Can you share insights into Cheng & Co's future plans, specifically regarding its expansion into new markets and the adoption of emerging technologies?

Dato' Dr Chua: Mergers and acquisitions (M&A) serve as our primary strategy for expansion. Following our listing, we swiftly acquired an accounting firm in Australia, broadening our global presence.

Additionally, we procured a property office in Australia, bolstering our services to assist clients in property management and rental collection. In November 2023, we actively pursued an acquisition or merger with a Singaporean company, envisioning it as the foundation for our international hub. Over our operational history, we've successfully acquired more than 30 companies, propelling our growth and diversification. 