



**PwC Malaysia**

# Transparency Report



October 2025

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# Message from leadership





**Soo Hoo Khoon Yean**

## Message from our Managing Partner

At PwC, we help clients build trust and reinvent so they can turn complexity into competitive advantage. We're a tech-forward, people-empowered network with more than 360,000 people in 136 countries. Across audit and assurance, tax and legal, deals, and consulting, we help build, accelerate, and sustain momentum. We are committed to driving a strong culture of quality and excellence that is core to our purpose.

The past year was an important moment in time for us as we strengthened our commitment to trust and transparency against a backdrop of global uncertainties including rising protectionism, tariff concerns, persistent inflation, and increasing climate and cyber risks. As a firm, we recognise that reinvention is the way forward.

We embarked on a brand repositioning exercise globally to renew our commitment to create long-term value to our stakeholders. An initiative anchored on building trust, it guides us in leading with purpose as we help our clients navigate change. We are guided by our global network's pledge to reinforce our values on trust in everything we do.

### Quality, the backbone of our firm's progress

In support of the Audit Oversight Board ("AOB")'s commitment to promote high audit quality in Malaysia, our fifth Transparency Report reaffirms our continued focus and efforts to maintain audit quality and enhance our governance processes.

Quality service is about doing our best work for our stakeholders by consistently meeting their expectations and complying with all applicable standards as well as legal and regulatory requirements. Recognising the higher bar placed on audit quality and transparency, we continue to invest in a rigorous system of quality management (SoQM) that covers leadership and governance, accountability, ethics and independence, people, learning and development, and other functional processes. We embed quality management into the daily operations of running our Assurance business through our SoQM that is in line with the PwC global network's Quality Management for Service Excellence ("QMSE") framework.

Leveraging our proactive monitoring process, we identified instances related to personal independence compliance. No services were provided that impacted the objectivity of the audit engagements. We have taken additional measures as we recognise that maintaining independence is fundamental to serving the capital market and essential in building confidence and trust with our clients.

### Scaling up our investments in technology

As we continue to evolve in line with market uncertainties, we accelerated our investments in digital—a key theme of the year—with our transition from Google to M365 to enhance collaboration and productivity, in support of the firm's quality agenda. We also rolled out ChatPwC, our GenAI tool, firmwide, in alignment with the network's business rules and have reported encouraging adoption rates.

### Staying responsive to the needs of the market and the community

We sharpened our focus on creating and protecting value by investing in several priority areas like PwC's Academy, environmental, social, and governance (ESG), and managed services. Our contribution to the sustainability reporting landscape extends to sharing viewpoints on enhanced sustainability reporting requirements and the National Sustainability Reporting Framework (NSRF) among other topics.

We also remain focused on building talent capabilities. As an ACCA Platinum Approved Employer, our in-house ACCA programme enables us to develop future talent, both within the firm and the wider community.

### Moving with purpose for sustained success

We need to sustain the momentum that we have built for our clients, our people, and our wider stakeholders. As a multi-disciplinary professional services firm, we are confident that our values around trust, accountability, quality, governance, and leadership, will position us to deliver high quality audits while building the trust that is so vital in catalysing the capital market's progress.

**Dato' Theng Bee Han**

## Message from our Assurance Leader

PwC Malaysia has taken thoughtful steps to adapt and enhance our practices amidst an ever-evolving landscape over the past year. Our focus has remained steadfast on improving quality and transparency while addressing the opportunities and challenges encountered along the way.

### Commitment to enhancing quality

Our commitment to refining SoQM has been integral in aligning with the International Standard on Quality Management 1 (ISQM 1). We have adopted a continuous approach to monitoring and evaluation, emphasising the importance of early identification of potential quality concerns. This includes the integrated use of Assurance Quality Indicators (AQIs), which provide us with timely insights into whether we are meeting our quality objectives.

### Embracing continuous improvement

As we consistently pursue excellence, we recognise the importance of continuous enhancement to the quality of our work. Over the past year, the results of our engagement reviews were not up to our expectations but have provided valuable insights. Importantly, these did not lead to any change in our assurance opinion or require restatements of financial statements.

The lessons we learned are being actively integrated into our SoQM, ensuring that we continue to evolve and improve in our service delivery. We are proud that our partners and staff continue to strive for highest quality standards.

### Investment in people development and well-being

At the heart of our strategy is the unwavering focus on the development and well-being of our people. We are steadfast in our commitment to their growth through tailored training programmes, providing essential skills and knowledge that empower them in their professional journey. Our investment in upskilling includes digital competencies and soft skills, ensuring our workforce is both resilient and adaptable to the rapidly changing market.

Creating a supportive workplace is integral to the holistic development of our people. By emphasising well-being across multiple dimensions—physical, mental, emotional, and social—we ensure our people feel valued and motivated to thrive. Through flexible work arrangements and enhanced wellness initiatives, we foster an environment that prioritises diverse perspectives and work-life balance.

### Advancing ESG initiatives

ESG considerations have increasingly become a vital commitment of our commitment to quality and accountability. We are dedicated to integrating ESG principles into our operations and advancing sustainability efforts. In line with evolving regulatory requirements, we have actively engaged with various initiatives aimed at improving the quality, reliability, and comparability of our sustainability reporting. Our involvement with the Malaysian Institute of Accountants' Sustainability Assurance Working Group and contributions to the Malaysian Accounting Standards Board's Sustainability Reporting Working Group exemplify our commitment to ESG advancements. These efforts ensure that we are not only meeting market expectations but also contributing positively to societal and environmental challenges.

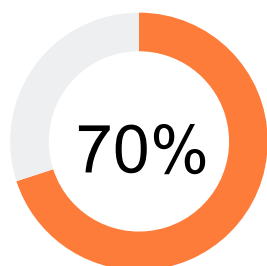
### Looking ahead

As we look to the future, we uphold a clear commitment to quality and excellence, grounded in our fundamental principle of 'Trust in What Matters.' Trust is the foundation of our relationships with clients, stakeholders, and within our teams. By maintaining transparency, upholding integrity, and focusing on the core elements that drive value for those we serve, we are determined to build trust, drive positive change, and make meaningful impacts in our communities. By leveraging emerging technologies, including generative AI, we aim to transform the audit experience, ensuring efficient, robust, and independent assurance and audit insights. Together, we will navigate the future with resilience, innovation, and unwavering dedication to excellence.

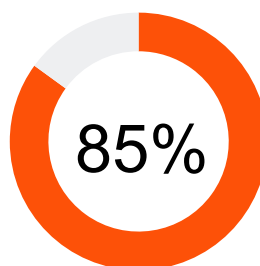


# Year in review

## Partner and staff survey



of our staff and partners participated in our Global Pulse Survey



of the respondents believe their work contributes to PwC's purpose

## Audit quality reviews

### Audit quality reviews - external (PIEs only)

Results of external inspections of Public Interest Entity ("PIE") audit engagements conducted by the Audit Oversight Board ("AOB") during their annual inspection visits.

**FY25**

**2 out of 4**

engagements reviewed with no findings

**FY24**

**2 out of 2**

engagements reviewed with no findings

**FY23**

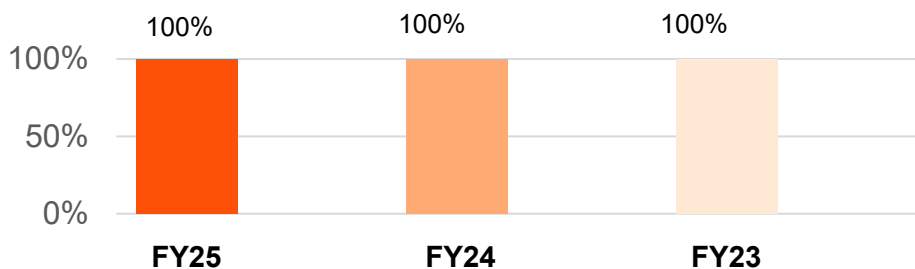
**4 out of 4**

engagements reviewed with no findings

The findings from external review did not result in the reissuance or withdrawal of audit reports or any restatements.

### Audit quality reviews - internal (PIEs only)

% of compliant results from internal Engagement Compliance Reviews ("ECRs") conducted by independent teams of experienced professionals from other PwC member firms.



### Hot reviews (PIE and non-PIE)

Number of audit engagements included in hot reviews including real-time review programmes and targeted hot reviews.

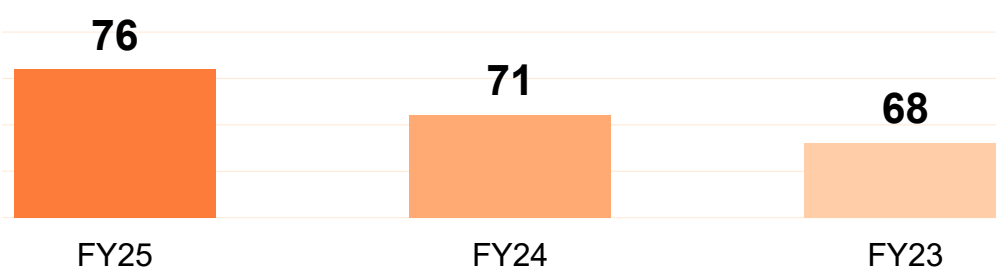
**28** audit engagements

**3,470** hours spent (approximately)

# Year in review

## Quality control (QC) function

Headcount in a QC role



## Assurance training

### FY25

Average hours achieved by partners and staff

Online



68

+

Classroom



60

=

128

Total hours completed

**141,622**

### FY24

Average hours achieved by partners and staff

Online



51

+

Classroom



62

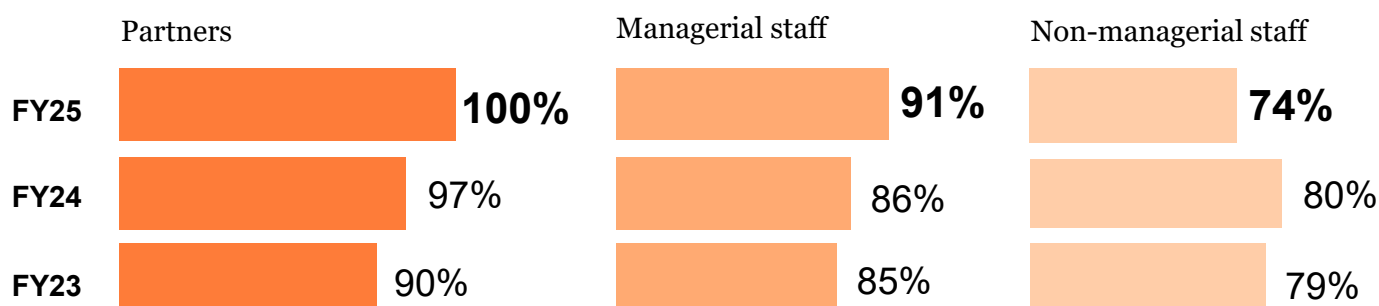
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113

Total hours completed

**136,940**

## Average retention rate by staff level



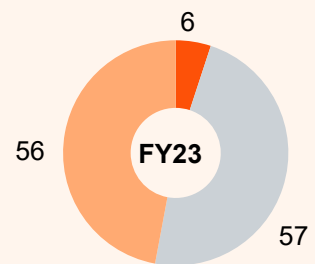
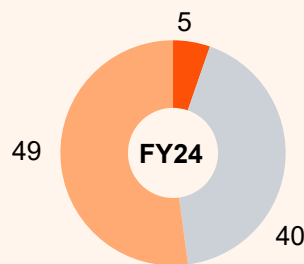
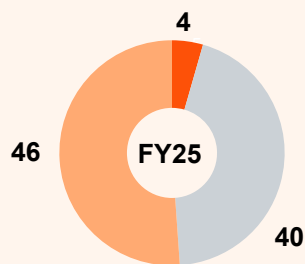
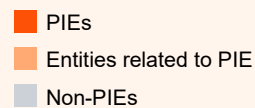
Note: FY24 Partner movement due to retirement of one partner

# Year in review

## Audit partner workload

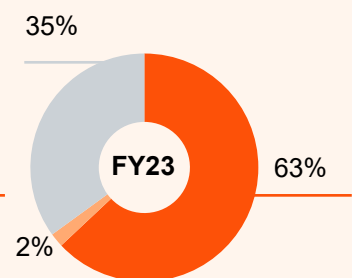
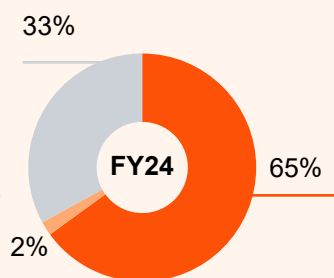
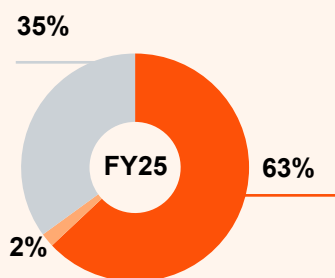
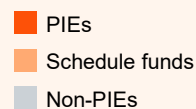
### Ratio of average number of engagements per partner\*

\* Partner auditing PIEs engagements



### Average portfolio audit fees per partner\*

\* Partner auditing PIEs engagements



## Audit staff headcount

	Partners to manager	Manager to staff	Partners to staff
<b>FY25</b>	<b>1 to 6</b>	<b>1 to 6</b>	<b>1 to 36</b>
<b>FY24</b>	<b>1 to 5</b>	<b>1 to 7</b>	<b>1 to 42</b>
<b>FY23</b>	<b>1 to 7</b>	<b>1 to 7</b>	<b>1 to 54</b>

### Diversity and inclusivity

Partners and directors

**44F : 56M**

Senior managers and below

**66F : 34M**

### Experience of our partners

Partners' average years of experience at PwC

**27** years

### Leadership in Quality Survey

Of all the managers to partners who received feedback from the staff, they achieved an average score of

**4.4** out of 5.0 in FY25



2

# Our approach to quality



# Our approach to quality

## International Standard on Quality Management 1 (ISQM 1)

In December 2020, the International Auditing and Assurance Standards Board (IAASB) approved and released three new and revised standards that strengthen and modernise a firm's approach to quality management, including ISQM 1. This standard, which became effective 15 December 2022, required all firms to have designed and implemented the requirements of the standard and evaluated their SoQM under the new standard by 15 December 2023.

ISQM 1 is an objectives-based approach that expects firms to have a SoQM that operates in a continuous and iterative manner, taking into consideration the conditions, events, circumstances, actions, and inactions that impact a firm. It enhances the firm's responsibilities around monitoring and remediation, emphasising the need for more proactive, real-time monitoring of the SoQM, a more effective, efficient, and timely root cause analysis process, and timely and effective remediation of deficiencies.

ISQM 1 states that the objective of the firm is to design, implement, and operate a SoQM that provides the firm with reasonable assurance that:

- 1 The firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- 2 Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.

The standard goes on to say that the public interest is served by the consistent performance of quality engagements and that this is enabled by an effective SoQM.

## A specific focus on audit quality across the network



**Delivering high quality work is at the heart of what we do at PwC; it is what our stakeholders rightly expect of us.**

### The PwC Network's Assurance QMSE framework

To deliver services in an effective and efficient manner that meets the expectations of our clients and other stakeholders, the PwC Network has established the Quality Management for Service Excellence ("QMSE") framework which integrates quality management into how each firm runs its business and manages risk.

The QMSE framework is designed to align with the objectives and requirements of ISQM 1 and provides a model for quality management in PwC firms that integrates quality management into business processes and the firmwide risk management process. Under QMSE, our overall quality objective is supported by a series of underlying quality management objectives, and each firm's SoQM should be designed and operated so that the overall quality objective, which includes meeting the objectives and requirements of ISQM 1, is achieved with reasonable assurance.



### Overall quality objective under the QMSE framework

To have the necessary capabilities in our organisation and to deploy our people to consistently use our methodologies, processes, and technology to deliver services in an effective and efficient manner to fulfil the expectations of our clients and other stakeholders.

### Integrated and aligned in the right way

Our SoQM includes quality objectives identified from the following components of ISQM 1 as well as any additional objectives the PwC Network has identified in the QMSE framework:

- Governance and leadership
- Relevant ethical requirements
- Acceptance and continuance of client relationships and specific engagements
- Engagement performance
- Resources
- Information and communication

To help us achieve these objectives, the PwC Network invests significant resources in the continuous enhancement of quality across our network. This includes having a strong quality infrastructure supported by the right people, underlying tools and technology at both the network level and within our firm, and a programme of continuous innovation and investment in our technology. The PwC Network's Global Assurance Quality (GAQ) organisation aims to support PwC firms in promoting, enabling, and continuously improving Assurance quality through effective policies, tools, guidance, and systems used to further promote and monitor quality and to build an appropriate level of consistency in what we do.

These elements have been integrated and aligned by our network to create a comprehensive, holistic, and interconnected quality management framework that each firm tailors to reflect our individual circumstances. Each firm is responsible for utilising the resources provided by the network as part of our efforts to deliver quality to meet the expectations of our stakeholders.

### The quality management process

The achievement of these objectives is supported by a **quality management process ("QMP")** established by our firm and Assurance leadership, business process owners, and partners, and staff. This quality management process includes:

- 1 Identifying risks to achieving the quality objectives
- 2 Designing and implementing responses to the assessed quality risks
- 3 Monitoring the design and operating effectiveness of the policies and procedures through the use of process-integrated monitoring activities such as real-time assurance as well as appropriate Assurance Quality Indicators
- 4 Continuously improving the SoQM when areas for improvement are identified by performing root cause analyses and implementing remedial actions
- 5 Establishing a quality-related recognition and accountability framework to both set clear expectations of expected quality behaviours and outcomes, and reinforce those expectations through consistent and transparent use in appraisals, remuneration, and career progression decisions

# Our firm's SoQM

This involves the integrated use of Assurance Quality Indicators to aim to predict quality issues, real-time Assurance to aim to prevent quality issues, root cause analysis to learn from quality issues, and a Recognition and Accountability Framework to establish, communicate, and reinforce quality behaviours, culture, and actions.

Our SoQM must be designed, implemented, and operating on an ongoing basis to achieve the quality objectives. This ongoing process includes monitoring, assessing, evaluating, reporting, and being responsive to changes in quality risks, driven by the firm's internal and external environment. This is our QMP.

Our focus on quality management is therefore not to apply prescribed rules but rather:



Design and implement risk responses which are fit for purpose to manage the risks we identify in our own risk assessment



Achieve the quality objectives, taking into consideration the conditions, events, circumstances, actions, and/or inactions that may impact our SoQM

## Our risk assessment process



The degree to how and which condition, event, circumstance, action, or inaction may affect the achievement of the quality objectives

The past several years have seen unprecedented challenges and our firm's SoQM has helped us navigate and respond to the impact that identified factors had on our ability to achieve the overall assurance quality objective: to deliver quality audit engagements.

Our SoQM includes the performance of a risk assessment over the quality objectives identified in the QMSE framework. We consider how and the degree to which a condition, event, circumstance, action, or inaction may adversely affect the achievement of the quality objectives, which may result in:

1

New or changing quality risks to achieving one or more of the quality objectives

2

Changes to the assessment of existing quality risks

3

Changes to the design of the firm's SoQM, including the risk responses

A quality risk is one that has a reasonable possibility of occurring and individually or in combination with other quality risks, could adversely affect the achievement of one or more quality objectives.



# 2025 key factors impacting our SoQM

This year, we have seen various factors impacting our SoQM. In particular, the more meaningful conditions, events, circumstances, actions, and/or inactions that have necessitated changes to our SoQM include:



## Root cause analysis (RCA)

In light of the growing emphasis on RCA, we are dedicated to enhancing our approach to identifying root causes and gaining valuable insights. This includes strengthening our resources, continuously upskilling our team, and integrating insights from network territories.



## Client acceptance and continuance

Enhancements were made to the audit questionnaires to better understand the client's environment and its impact to the audit.



## Emerging technologies, dynamic market and regulatory landscape

Our firm's policies, processes, and risk assessments are regularly reviewed and enhanced to strategically address challenges and leverage opportunities.





# Our firm's System of Quality Management

## Aim to predict: Assurance Quality Indicators

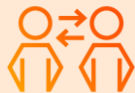
We have identified a set of Assurance Quality Indicators ("AQIs") that support our Assurance leadership team in the early identification of potential risks to quality, using metrics to aim to predict quality issues. This quality risk analysis is an essential part of our SoQM, and the AQIs, in addition to other performance measures, also provide a key tool in the ongoing monitoring and continuous improvement of our SoQM. The firm has identified AQIs across the relevant Quality Objectives to be used as a monitoring tool of both the firm's SoQM and engagement level quality. The AQIs are reported at various frequencies to leadership on a monthly basis.

In this Transparency Report, we will provide insight into the policies and procedures we have designed, implemented and are operating to reduce the quality risks we have identified to an acceptable level and help us achieve reasonable assurance over the firm's SoQM. The following sections of the report cover the following ISQM 1 quality objectives:



### Cultures and values

Governance and leadership, relevant ethical requirements, acceptance and continuance of client relationships and specific engagements



### Our people

Human resources



### Our approach

Intellectual and technological resources, engagement performance, information and communication

## Our monitoring and remediation process

In the section, Monitoring, found on page 47, we have described the types of ongoing and periodic monitoring our firm has designed, implemented, and are operating to provide relevant and reliable information about our firm's SoQM and to help us take appropriate actions over any identified deficiencies, so that we can remediate those deficiencies effectively and on a timely basis.

To support the timely and effective remediation of identified deficiencies, our firm has designed, implemented, and are operating a root cause analysis programme, which is described further on page 52. The information gathered from our monitoring and remediation process along with other sources of information such as external reviews, is used to help us evaluate our SoQM.

## Statement on the effectiveness of the firm's SoQM

During the year, we completed our evaluation of the firm's SoQM under ISQM 1. On behalf of PwC Malaysia, the Managing Partner and Assurance Leader have evaluated whether our firm's SoQM provides us reasonable assurance that:

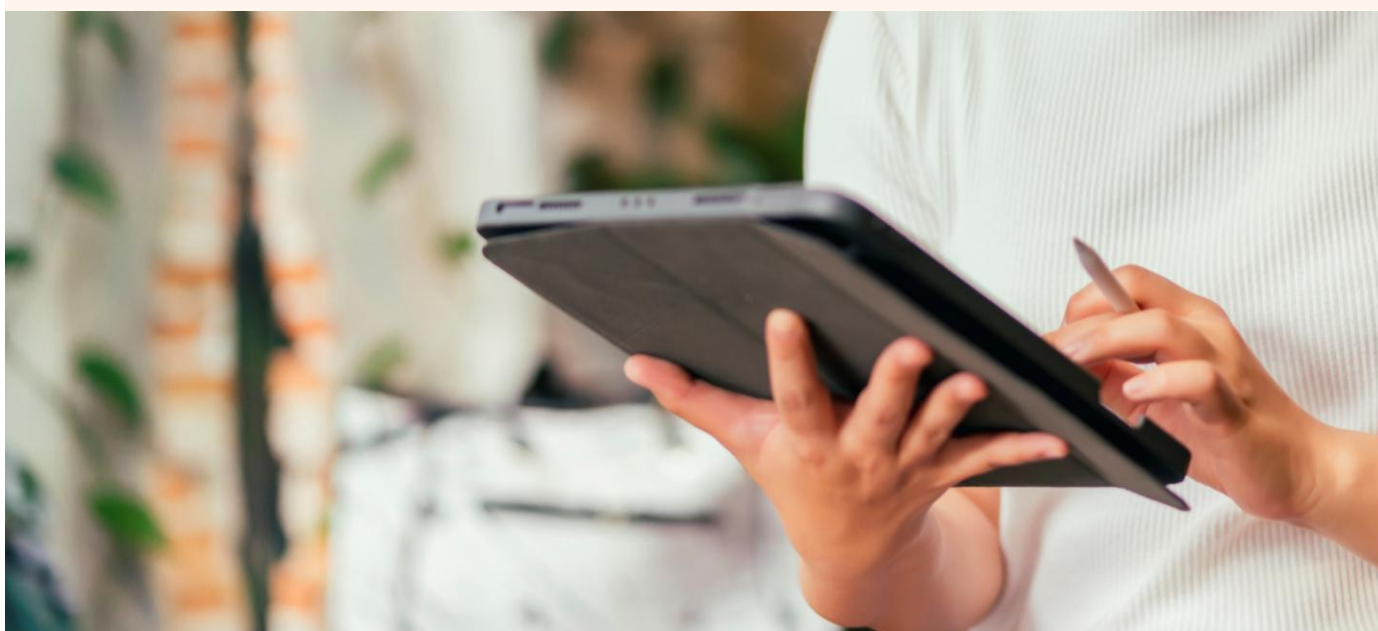
- The firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.

Based on all the relevant information of the firm's SoQM, as at 31 March 2025, we believe, except for matters related to the deficiencies described below that have a severe but not pervasive effect on the design, implementation and operation of the firm's SoQM, that our SoQM provides us with reasonable assurance that the quality objectives of ISQM 1 noted above have been achieved.

Through the firm's ongoing monitoring, we identified non-compliance with personal independence requirements for a small number of non-assurance partners. No services were provided by these partners to the audit clients of the firm that may have impacted the objectivity of the audit engagements. We have implemented additional measures to enhance compliance with personal independence requirements, including increased communications from leadership on personal independence, enhanced training, process improvements relating to personal independence policies and procedures, and increased frequency of personal independence monitoring, from quarterly to monthly reviews.

During the year, a small number of inspected engagements were not conducted in accordance with relevant standards and requirements for in certain non-significant risk areas. These findings did not result in reissuance or withdrawal of the assurance opinion or a restatement to the financial statements. Our assessment of the inspection results over the previous year indicates that improvement is needed in our engagement-level monitoring controls to drive consistency in engagement performance and the firm is taking additional measures to remediate the identified deficiencies in these monitoring controls.

We take the matters seriously and have established a set of remediation procedures. The firm is committed to ensure the long-term effectiveness and sustainability of the measures implemented.



# How we embed sustainability as part of our Assurance practice

## Sustainability reporting in Malaysia

The current year continues to mark a period of continued advancement in sustainability reporting within Malaysia. The National Sustainability Reporting Framework (NSRF), issued by the Advisory Committee on Sustainability Reporting (ACSR), establishes the foundational requirements for corporate Malaysia to prepare sustainability reports that are aligned with the IFRS Sustainability Disclosure Standards.

In addition, recent public consultations by the ACSR on the proposed framework for sustainability assurance highlight regulators' clear focus on elevating the quality of sustainability-related financial information to ensure that it is investor-grade.

We expect regulatory developments in these areas to continue progressing, facilitating enhanced sustainability reporting and assurance requirements. With this, we have observed continuous integration and implementation of sustainability initiatives as part of core business functions. Key departments across organisations—including sustainability teams, risk management, and finance—are actively involved in the preparation and oversight of corporate sustainability reporting.

**At PwC Malaysia, we have actively supported initiatives undertaken by regulators, standard setters, and various other bodies.**

This is to improve the quality, reliability, and comparability of sustainability reporting over the past years.



Examples of our involvement in enhancing sustainability reporting and assurance in Malaysia include:

1

We continue to be a part of the Malaysian Accounting Standards Board "Working Group 71 ("WG71") Sustainability Reporting," tasked to review pronouncements issued by the IFRS Foundation on sustainability reporting related matters, with one of our partners appointed as the Project Manager

2

We are a part of the Malaysian Institute of Accountants' Sustainability Assurance Working Group with one of our partners serving as the Chairman of the Working Group

3

We are involved in various sub-committees under the Joint Committee on Climate Change ("JC3") as well as ASEAN Capital Markets Forum (ACMF) and the ASEAN Working Committee on Capital Market Development (WC-CMD) on sustainability.

4

We released a thought leadership as part of the "Spotlight on sustainability" series, titled Redefining the role of the finance function, which focuses on the role of the finance function in sustainability.

In addition, we published our biennial Annual Report using the principles of the Integrated Reporting ("IR") Framework and the Global Reporting Initiative ("GRI"), which includes the relevant ESG disclosures.

## Providing assurance on sustainability reporting

We have been working with our clients to provide assurance over selected sustainability-related disclosures as part of their Annual Report and/or Sustainability Statement.

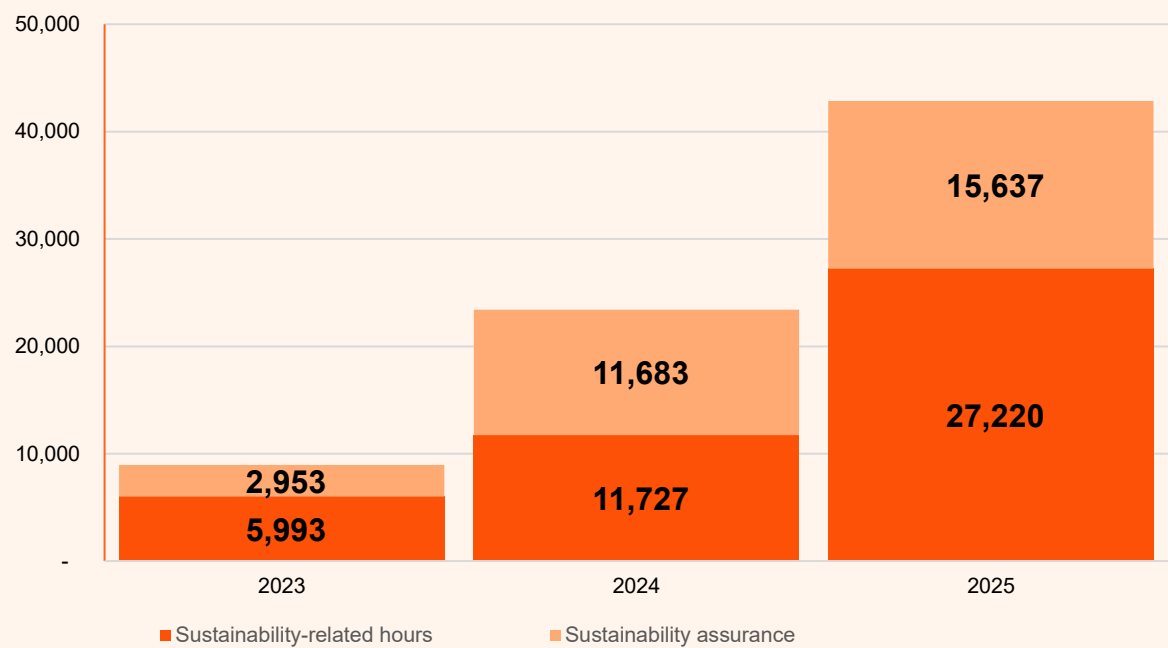
Our assurance procedures are conducted in line with the approved standard for assurance engagements in Malaysia. Similar to our assurance engagements, our sustainability assurance engagements are also subject to our internal review processes.

In embedding quality as part of our sustainability assurance engagements, we leverage on our “PwC MY Sustainability Assurance Engagements - Policy and Guidance”, which includes guidance on the following matters: acceptance procedures, assessment of subject matter for assurance, accreditation requirements, and the involvement of experts.

## Sustainability-related engagements by our Assurance practice

In the current financial year, we continue to see an increase in sustainability-related engagements within our Assurance practice, indicating upskilling needs in the near future.

Sustainability-related engagement hours



## Upskilling our people

With the steady increase in sustainability-related engagements within our Assurance practice, upskilling our workforce on topics such as climate change, sustainability reporting, and sustainability assurance remains a key focus in PwC Malaysia's training curriculum.

In response to the growing demand for professionals with sustainability expertise, we have implemented a formal process to ensure that all staff involved in sustainability assurance engagements complete the required sustainability training. This ensures that they possess a solid foundation to competently perform sustainability-related engagements, including assurance assignments. This process was formalised as part of our SoQM during the year.



### 1. Assurance Sustainability Learning Curriculum

We continue to provide Assurance Sustainability Learning Curriculum to our staff. This tailored curriculum, which encompasses more than 10 training hours includes the following topics: sustainability trends, industry knowledge, sustainability assurance, and sustainability reporting standards/frameworks.

Over the past three years, we have provided in-depth sustainability assurance trainings to more than 200 of our staffs to enable them to provide assurance over our client's sustainability indicators.

### 2. Understanding IFRS Sustainability Disclosure Standards and Greenhouse Gas (GHG) accounting

With the increasing sustainability reporting requirements in Malaysia and across the region, ensuring the continuous upskilling and deep understanding of relevant subject matter—particularly the information that will be subjected to assurance—is a critical component of delivering assurance services.

Key technical areas of focus for PwC Malaysia include the IFRS Sustainability Disclosure Standards as well as GHG accounting. Strengthening expertise in these domains enables us to effectively address evolving regulatory requirements and meet the growing expectations of stakeholders for reliable and transparent sustainability disclosures.

### 3. ESG Race

We continue to hold our yearly ESG Race programme in 2025—a one-month firmwide learning campaign featuring a mix of sustainability-focused learning sessions, hackathons, and experience sharing designed to generate interest, awareness, and engagement in sustainability across the firm.

### 4. Sustainability-related training

With the growing emphasis on sustainability-related financial disclosures, we continue to conduct a series of classroom training sessions in addition to e-learn modules to equip our practitioners with relevant technical knowledge and skills required to work on sustainability-related engagements.

In the current financial year, our people spent more than 21,000 training hours on sustainability-related curriculum.



## Our commitment to ESG

We are committed to achieve net zero greenhouse gas (“GHG”) emissions by 2030.

Our net zero commitment requires us to transform our business model to decarbonise our value chain, increase transparency, and support the development of robust sustainability reporting frameworks and standards. We are also committed to increasing the size of our sustainability practice to support both the government and companies in their ESG responses.

### Our net zero commitments involve three main areas

#### 1. Halve our emissions

##### ↓ FY20 & FY21 Reduction in emissions

During the COVID-19 pandemic

- Government's lockdown measures
- Travel restrictions

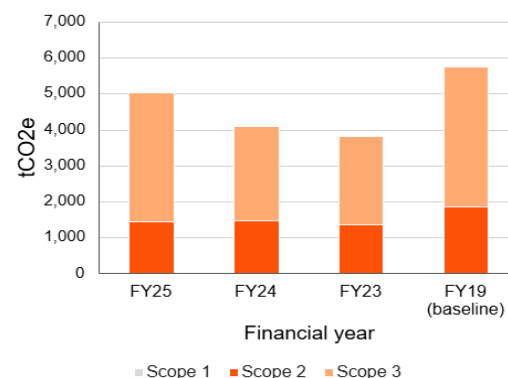
##### ↑ FY25 Increase in emissions

Business travels increased

We aim to reduce our greenhouse gas emissions by 50% by FY30 (from an FY19 baseline). We have a strategy and plans to meet our commitment, refer to our [2023 Annual Report](#) for more information. Our commitment also involves continuous engagements with our suppliers and switching to 100% renewable energy moving forward.

As part of this commitment, we are also ensuring that our major suppliers have set their own Science Based Targets (SBTs) and are validated by the SBT initiative (SBTi).

#### Carbon emissions by Scope 1, 2 and 3 for PwC Malaysia



Scope 2 emissions from electricity have remained steady even though headcount has increased by 14% compared to FY19. This is due to the work we have done to reduce lights and replace remaining ones with LED, leading to an approximate 30% reduction in electricity used for lighting.

#### FY25

# 88%

of our FY19 emissions baseline.

We have measures in place to reduce our emissions, read more in our [2023 annual report](#).

Reflecting our commitment to sustainability, we acknowledge that our Scope 3 emissions from business travel—including flights, accommodation, and land-based travel—have risen from FY23 to FY25. This increase is due to our expanded workforce and intensified business activities. In response, we have proactively established a carbon budget for each line of service. We conduct thorough analysis of travel data trends and engage in quarterly discussions with service line leaders to ensure well-informed decision-making regarding travel commitments. This approach underscores our dedication to responsibly managing our environmental impact while supporting our business growth.

#### 2. Work with stakeholders

This involves our commitment to advancing sustainability-related reporting to help stakeholders understand the impacts of ESG on business. We also embed the implications of climate change and other ESG-related factors into our client work.

#### 3. Public policy discussion

We continuously involve and engage the regulators to advance thinking on how to address climate change.

3

# Culture and values



# Definition and culture

At PwC, we define quality service as consistently meeting the expectations of our stakeholders and complying with all applicable standards and policies. An important part of our ability to deliver against this quality definition is building a culture across a network of more than 360,000 people.

This culture of quality emphasises that quality is the responsibility of everyone. Continuing to enhance this culture of quality is a significant area of focus for our global and local leadership teams and one which plays a key part in the measurement of their performance.

Quality is measured not just by adherence to systems and processes, but by how our people view our commitment to quality. With this in mind, we have continued to measure our commitment to quality via the Leadership in Quality Survey which is applied to all levels from managers to partners. The quality survey results are embedded in our Recognition and Accountability Framework to promote the appropriate culture and accountability.

In FY25, approximately 2,300 responses were received with an average score of 4.4 out of 5.0, consistent with FY24, reflecting a good commitment to quality across all leadership levels.

Our Chief Culture Officer continues to lead these efforts, ensuring it remains a top priority for all. As with prior years, we continue to intensify our efforts to embed the three critical behaviours that underpin our quality culture.



**Courage**



**Respect**



**Co-create**

We have developed a two-year change and communications plan with key initiatives to ensure the successful adoption of these behaviours. The plan includes a clear vision with desired outcomes and key actions.

**1**

The Assurance Culture team, consisting of practice staff from different levels and business units, acts as change champions to influence their colleagues and to execute the various communications and engagement activities in multiple forums.

**2**

In FY25, the Assurance Culture team collaborated with the Human Capital team in launching the Vibe & Thrive Challenge, which incorporated the elements of the Sustainable High-Performance Routine, the 6 dimensions of wellbeing, and the Assurance Culture.

## Measurement and transparency

For all our businesses, each PwC firm—as part of the agreement by which they are members of the PwC Network—is required to have in place a comprehensive SoQM, to annually complete a SoQM performance assessment, and to communicate the results of these assessments to global leadership. These results are then discussed in detail with the leadership of each local firm and if they are not at the level expected, a remediation plan is agreed with local leadership taking personal responsibility for its successful implementation.

As the services that our network provides change and develop and the needs and expectations of our stakeholders also change, the PwC Network is continually reviewing and updating the scale, scope, and operations of our PwC firms' systems of quality management and investing in programmes to enhance the quality of the services that the PwC Network provides.



# Our firm's commitment to quality

## Leadership and tone at the top

Our purpose and values are the foundation of our success. Our purpose is to build trust in society and solve important problems, and our values help us deliver on that purpose. Our purpose reflects 'why' we do what we do, and our strategy provides us with the 'what' we do. 'How' we deliver our purpose and strategy is driven by our culture, values, and behaviours. This forms the foundation of our SoQM and permeates how we operate, including guiding our leadership actions, and how we deliver 'trust in what matters'—how we do business, with each other, and in our communities.

When working with our clients and our colleagues to build trust in society and solve important problems, we:

### Our purpose

Build trust in society and solve important problems



**Act with  
integrity**



**Make a  
difference**



**Care**



**Work  
together**



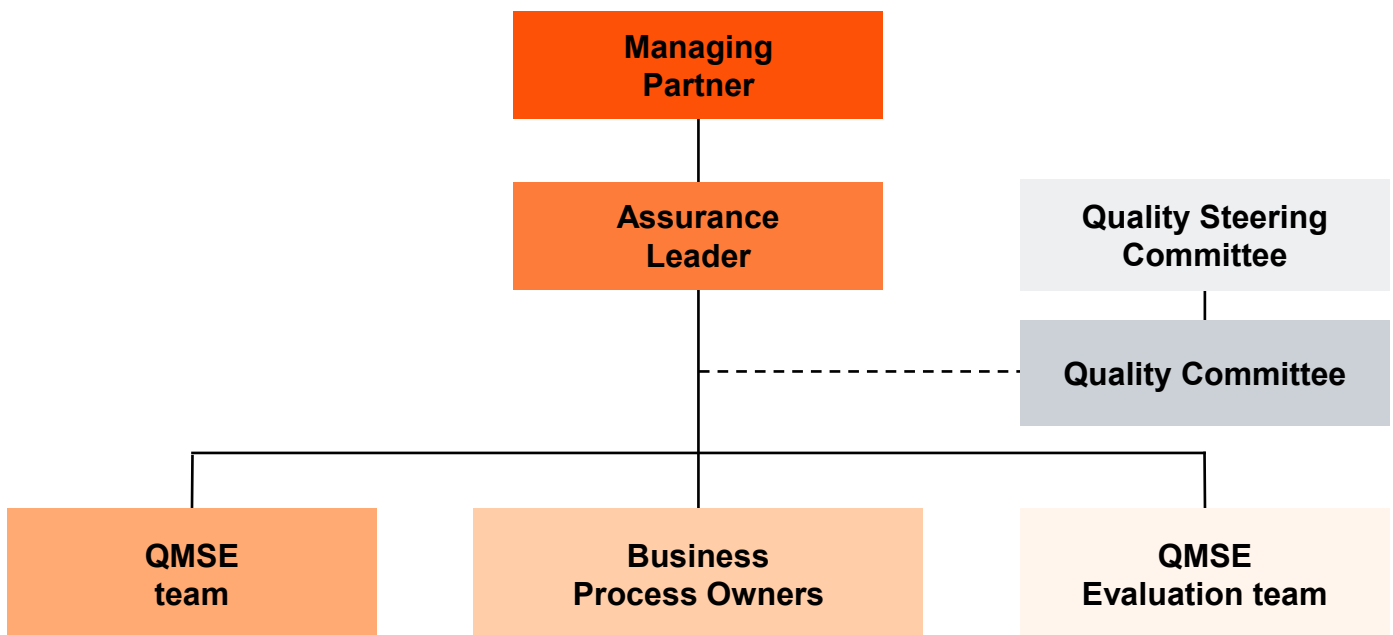
**Reimagine  
the possible**

The quality agenda to drive continuous improvement relies on the firm to establish a culture that prioritises quality in everything we do. This culture is supported by a consistent tone at the top through regular communication from leadership to all partners and staff about the firm's commitment to quality. Key messages are communicated to our firm by our Senior Partner and our leadership team and are reinforced by engagement partners. These communications focus on what we do well and actions we can take to make enhancements.

Leadership and engagement partners take the lead in role modelling the expected quality behaviours in interactions with clients and teams. We measure whether our people believe that our leaders' messaging conveys the importance of quality to the success of our firm. Based on this tracking, we are confident our people understand our quality objectives. Delivering service of the highest quality is core to our purpose and our Assurance strategy, the focus of which is to strengthen trust and transparency in our clients, in the capital markets, and wider society.



## Leadership's role in the System of Quality Management



The firm's leadership is integral in ensuring the effectiveness of the firm's SoQM. The ultimate responsibility of the SoQM is with the Managing Partner and Assurance Leader. They are supported by the QMSE team, headed by the Quality Leader who has operational responsibility for the SoQM, and the Business Process Owners who take on operational responsibility for their respective quality objectives.

Monitoring of the SoQM is performed by the respective Business Process Owners on an ongoing basis. The results are reported to the Quality Committee, who in turn reports to the Quality Steering Committee. The Quality Steering Committee, which includes the Managing Partner, Chief Risk Officer, and a senior Assurance partner ensures that firmwide strategies are aligned with quality objectives and provide strategic input into the quality agenda. The SoQM is also tested periodically by the QMSE evaluation team, an objective team of reviewers, and the results are directly reported to leadership.

### Audit Quality Indicators



- Employee survey results or Global People Survey: People Engagement Index scores
- Global People Survey: Quality Behaviour Index scores



## Reinforce: Recognition & Accountability Framework

Our Recognition and Accountability Framework (RAF) reinforces quality in everything our people do in delivering on our strategy, with a focus on the provision of services to our clients, how we work with our people, and driving a high quality culture. Our RAF has been designed to both set clear expectations of expected quality behaviours and outcomes and reinforce those expectations by holding partners and staff accountable for quality behaviours and quality outcomes beyond compliance.

**Our RAF considers and addresses the following key elements:**

- 1 Quality outcomes**  
 We provide transparent quality outcomes to measure the achievement of the quality objectives. Our quality outcomes take into account meeting professional standards and the PwC Network and our firm's standards and policies

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- 2 Behaviours**  
 We have set expectations of the right behaviours that support the right attitude to quality, the right tone from the top, and a strong engagement with the quality objectives

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- 3 Interventions/recognition**  
 We have put in place interventions and recognition that promote and reinforce positive behaviours and drives a culture of quality

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- 4 Consequences/reward**  
 We have implemented financial and non-financial consequences and rewards that are commensurate with outcome and behaviour and sufficient to incentivise the right behaviours to achieve the quality objectives

Each year, the Assurance Leader sets the tone from the top in communicating the RAF and expectations on the partners and staff to:



Demonstrate mindset and behaviour that are consistent with PwC Values



Adhere to our risk management policies, quality standards, firm policies, independence policies, and Code of Conduct.

During the year, we have refined the consequence policy to distinguish between self-reported exceptions and exceptions detected through monitoring activities for personal independence, with the aim of fostering a culture that encourages self-reporting.

# Ethics, independence, and objectivity

## Ethics

At PwC, we adhere to the fundamental principles of ethics set out in the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (the Code), which are:



### **Integrity**

To be straightforward and honest in all professional and business relationships.



### **Objectivity**

To not allow bias, conflict of interest, or undue influence of others to override professional or business judgements.



### **Professional competence and due care**

To maintain professional knowledge and skills at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation, and techniques and act diligently and in accordance with applicable technical and professional standards.



### **Confidentiality**

To respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the professional accountant or third parties.



### **Professional behaviour**

To comply with relevant laws and regulations and avoid any action that discredits the profession.

Our network standards, applicable to all network firms, cover a variety of areas including ethics and business conduct, independence, anti-money laundering, anti-trust/fair competition, anti-corruption, information protection, firm's and partner's taxes, sanctions laws, internal audit, and insider trading. We take compliance with these ethical requirements seriously and strive to embrace the spirit and not just the letter of those requirements. All partners and staff undertake annual mandatory training, as well as submit annual compliance confirmations, as part of the system to support appropriate understanding of the ethical requirements under which we operate. Partners and staff comply with the standards developed by the PwC Network, and leadership in PwC Malaysia monitors compliance with these obligations.

In addition to the PwC Values (Act with Integrity, Make a difference, Care, Work together, Reimagine the possible) and PwC Purpose, PwC Malaysia has adopted PwC's Global Code of Conduct, Network Standards, and related policies that clearly describe the behaviours expected of our partners and other professionals—behaviours that will enable us to build public trust. Because of the wide variety of situations that our professionals may face, our standards provide guidance under a broad range of circumstances, but all with a common goal—to do the right thing.

Upon hiring or admittance, PwC Malaysia provides an overview of the PwC Global Code of Conduct and the expected behaviours for all partners and staff, who should follow these expectations throughout their professional careers at our firm. As part of the values and expectations in the Code, they also have a responsibility to report and express concerns, and to do so fairly, honestly, and professionally when dealing with a difficult situation or when observing conduct inconsistent with the Code. In addition, every partner and staff are required to complete new hire training, which covers the ethics and compliance network standards, including ethics and the Code of Conduct.

PwC has implemented a network-wide confidential ethics helpline for the reporting of questions or concerns related to behaviours that are inconsistent with the Code of Conduct and related policies. Every PwC firm has a separate and secure tier of the ethics helpline for their confidential matters and investigations.

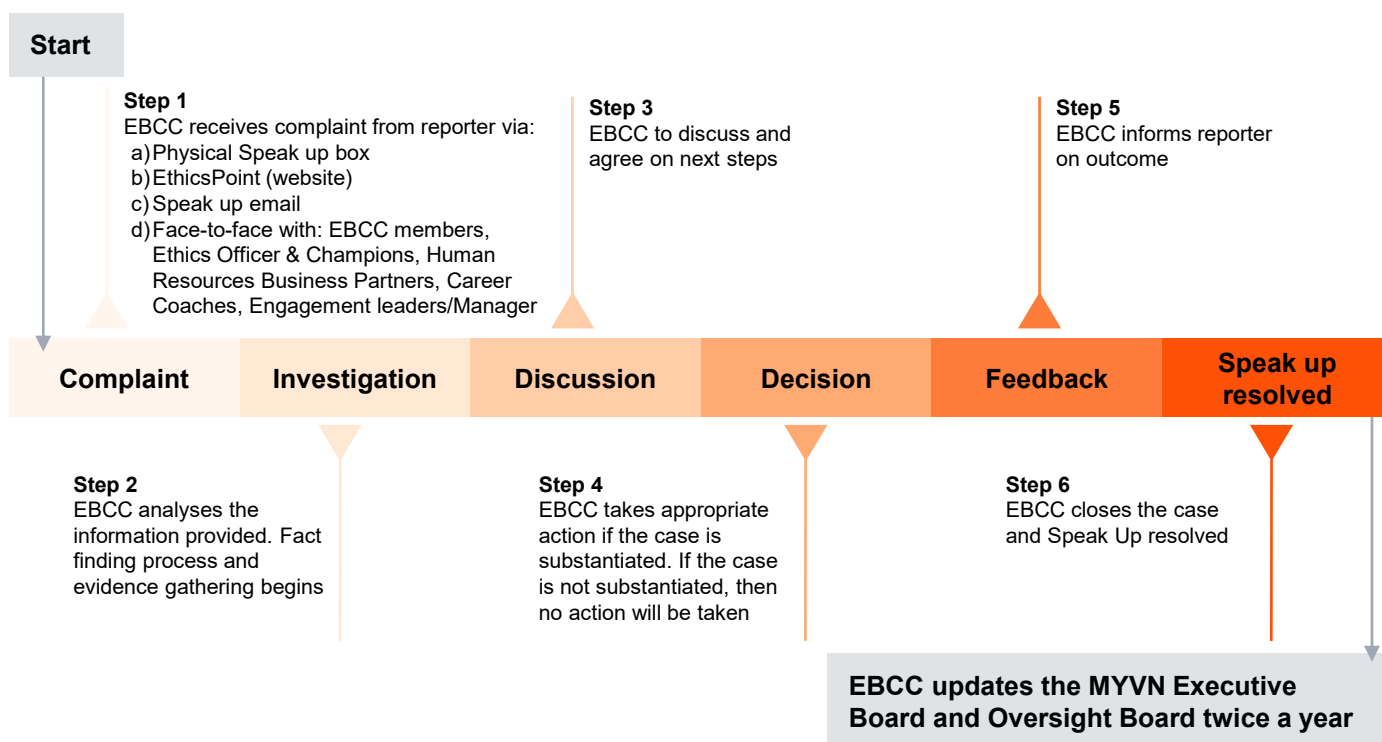
PwC Malaysia has multiple channels for speaking up. For example, the Speak Up box, via a designated email address, speaking face-to-face with a Human Resource Business Partner (HRBP), or reporting superior, or trusted colleagues, as well as the PwC online ethics helpline. The online ethics helpline is also available for third parties, including clients. The ethics helpline allows our partners, staff, and third parties to feel safe raising a question or concern without fear of retaliation. PwC expects third parties to report in good faith any concerns that may arise in connection with PwC's business (including the provision of goods or services to PwC) and potential violations of this Code, laws, regulations or ethical or professional standards.

Unless prohibited by law or regulation, PwC expects third parties to raise concerns related to this Code via any of the following channels:

- With those designated as responsible for the Third Party's service(s) for or with PwC
- By logging on to PwC's Global Ethics and Compliance website at <https://www.pwc.com/ethics> and report through the PwC Ethics helpline

## PwC Malaysia Ethics And Business Conduct Committee (EBCC) roles and responsibilities

We provide guidance and advice on the firm's business ethics and also act as the sounding body for any concerns or issues on ethics that come to our attention. The process flow of the Speak Up is shown below:



The PwC Code of Conduct and the ethics helpline are available online for all internal and external stakeholders at <https://www.pwc.com/ethics>.

PwC Malaysia has adopted an accountability framework to facilitate remediation of behaviours that are inconsistent with the PwC Code of Conduct.

Finally, the Organisation for Economic Co-operation and Development (OECD) provides guidance, including the OECD Guidelines for Multinational Enterprises (the "OECD Guidelines"), by way of non-binding principles and standards for responsible business conduct when operating globally. The OECD Guidelines provide a valuable framework for setting applicable compliance requirements and standards. Although the PwC Network consists of firms that are separate legal entities which do not form a multinational corporation or enterprise, PwC's network standards and policies are informed by and meet the goals and objectives of the OECD Guidelines.

## Objectivity and Independence

As auditors of financial statements and providers of other types of professional services, PwC firms and their partners and staff are expected to comply with the fundamental principles of objectivity, integrity, and professional behaviour. In relation to assurance clients, independence underpins these requirements. Compliance with these principles is fundamental to serving the capital markets and our clients.

- 1 The PwC Global Independence Policy** which is based on the Code, including International Independence Standards, contains minimum standards with which PwC firms have agreed to comply, including processes that are to be followed to maintain independence from clients, when necessary.
- 2 The independence requirements** of the United States Securities and Exchange Commission (SEC) are, in certain instances, more restrictive than the Global Independence Policy. Given the reach of these requirements and their impact on PwC firms in the network, the Policy identifies key areas where an SEC requirement is more restrictive. Provisions that are specifically identified as applicable to SEC restricted entities must be followed in addition to, or instead of, the Policy in the associated paragraph.
- 3 PwC Malaysia has a designated partner** (known as the 'Partner Responsible for Independence' or 'PRI') with appropriate seniority and standing, who is responsible for implementation of the PwC Global Independence Policy including managing the related independence processes and providing support to the business. The partner is supported by a team of independence specialists. The PRI reports directly to the Chief Risk Officer, a member of the firm's management board.



## Independence policies and practices

The PwC Global Independence Policy covers, among others, the following areas:



### Personal and firm independence,

including policies and guidance on the holding of financial interests and other financial arrangements, e.g. bank accounts and loans by partners, staff, the firm and its pension schemes;



### Non-audit services and fee arrangements.

The policy is supported by Statements of Permitted Services (SOPS), which provide practical guidance on the application of the policy in respect of non-audit services to audit clients and related entities;



### Business relationships,

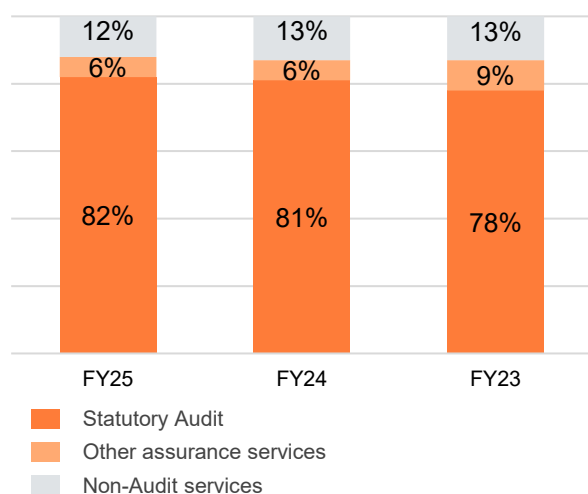
including policies and guidance on joint business relationships (such as joint ventures and joint marketing) and on purchasing of goods and services acquired in the normal course of business; and



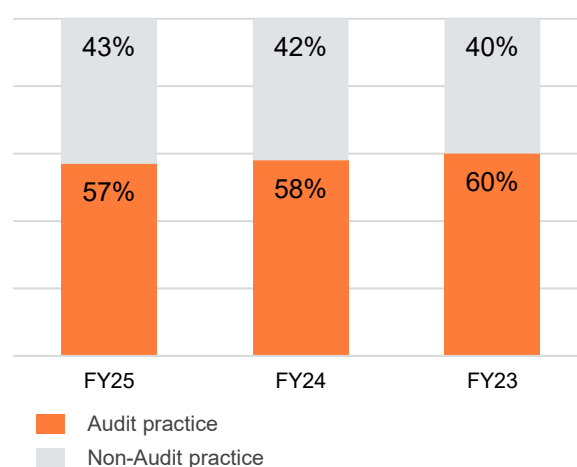
### Acceptance of new audit and assurance clients,

and the subsequent acceptance of any non-assurance services to be provided to those clients.

Proportion of fee income from audit clients (%)



Proportion of total fee income (%)



During the year, there have been no instances where the total fees from a PIE audit client and its related entities represent more than 15% of the total fees received.

In addition, there is a Network Risk Management Policy governing the independence requirements related to the rotation of key audit partners. These policies and processes are designed to help PwC firms comply with relevant professional and regulatory standards of independence that apply to the provision of assurance services. Policies and supporting guidance are reviewed and revised when changes arise such as updates to laws and regulations, including any changes to the Code or in response to operational matters.

PwC Malaysia supplements the PwC Global Independence Policy as required by the By-Laws on Professional Ethics, Code and Practice of the Malaysian Institute of Accountants (“MIA”) and Companies Act 2016 in Malaysia where they are more restrictive than the network’s policy.



## Independence-related systems and tools

As a member of the PwC Network, PwC Malaysia has access to a number of systems and tools which support PwC firms and their personnel in executing and complying with their independence policies and procedures. These include:



**The Central Entity Service (CES)**, which contains information about corporate entities, including all PwC audit clients and their related entities (including all public interest audit clients and SEC restricted entities) as well as their related securities. CES assists in determining the independence restriction status of clients of the PwC firm and those of other PwC firms before entering into a new non-audit service or business relationship. This system also feeds Independence Checkpoint and the Authorisation for Services system.



**Independence Checkpoint**, which facilitates the pre-clearance of publicly traded securities by all partners and managerial practice staff before acquisition and is used to record their subsequent purchases and disposals. Where a PwC firm wins a new audit client or there is a change in the restriction status of a security, this system automatically informs those holding relevant securities of the requirement to sell the security where required.



**Authorisation for Services (AFS)** which is a global system that facilitates communication between a non-audit services engagement leader and the audit engagement leader regarding a proposed non-audit service, documenting the analysis of any potential independence threats created by the service and proposed safeguards, where deemed necessary, and acts as a record of the audit partner's conclusion on the permissibility of the service.



**Joint Business Relationships (JBR)** which is a global system used to clear joint (close) business relationships from an independence perspective. JBR is used to facilitate PwC firms' compliance with JBR requirements for new and existing joint business relationships. It assists independence specialists in gathering information to assess, from an independence perspective, the permissibility of proposed joint business relationships and in monitoring the continued permissibility of previously approved existing joint business relationships.



**My Compliance Dashboard (MCD)** which is a global compliance system that facilitates compliance confirmations, engagement independence confirmations, and reporting.



**Global Breaches Reporting System** which is designed to be used to report any breaches of external auditor independence regulations (e.g. those set by regulation or professional requirements) where the breach has cross-border implications (e.g. where a breach occurs in one territory which affects an audit relationship in another territory). All breaches reported are evaluated and addressed in line with the Code or relevant independence regulations.

PwC Malaysia also has a rotation tracking system which monitors compliance with the firm's audit rotation policies for engagement leaders, quality review partners, other key audit partners, directors, and senior managers involved in an audit.

In addition, PwC Malaysia utilises the network's centres of excellence which adopt standardised processes to perform the independence assessment and monitoring of joint business relationships, approval of non-audit services for certain categories of clients.

## Independence training and confirmations



PwC Malaysia provides all partners and staff with annual or ongoing training in independence matters. Training typically focuses on milestone training relevant to a change in position or role, changes in policy or external regulation and, as relevant, provision of services.

Partners and staff receive training via eLearn on PwC Malaysia's independence policy and related topics. Additionally, virtual and physical training is delivered to members of the practice on an as-needed basis by PwC Malaysia's independence specialists.

All partners and practice staff are required to complete an annual compliance confirmation, whereby they confirm their compliance with relevant aspects of the PwC firm's independence policy, including their own personal independence. In addition, all partners and directors confirm that all non-audit services and business relationships for which they are responsible comply with policy and that the required processes have been followed in accepting these engagements and relationships. These annual confirmations are supplemented by periodic and ad-hoc engagement level confirmations for audit clients and/or their related entities.

## Independence monitoring and disciplinary policy

PwC Malaysia is responsible for monitoring the effectiveness of its SoQM in managing compliance with independence requirements. In addition to the confirmations described above, as part of this monitoring, we perform:



Compliance testing of independence controls and processes;



Personal independence compliance testing of a random selection of partners and managerial practice staff as a means of monitoring compliance with independence policies; and



An annual assessment of our firm's adherence with the PwC Network standards relating to independence.

The results of PwC Malaysia's monitoring and testing are reported to the firm's leadership team on a regular basis.

PwC Malaysia has an Accountability Framework and supporting disciplinary policies and mechanisms in place that promote compliance with independence policies and processes, and that require any breaches of independence requirements to be reported and addressed.

This would include discussion with the client's audit committee regarding the nature of a breach, an evaluation of the impact of the breach on the independence of PwC Malaysia and the engagement team, and the need for actions or safeguards to maintain objectivity.

Although most breaches are minor and attributable to an oversight, all breaches are taken seriously and investigated as appropriate. The investigations of any identified breaches of independence policies also serve to identify the need for improvements in PwC Malaysia's systems and processes and for additional guidance and training.

# Considerations in undertaking the audit

Our principles for determining whether to accept a new client or continue serving an existing client are fundamental to delivering quality, which we believe goes hand-in-hand with our purpose to build trust in society.

We have established policies and procedures for the acceptance of client relationships and audit engagements that consider whether we are competent to perform the engagement and have the necessary capabilities including time and resources, can comply with relevant ethical requirements, including independence, and have appropriately considered the integrity of the client.

We reassess these considerations in determining whether we should continue with the client engagement and have in place policies and procedures related to withdrawing from an engagement or a client relationship when necessary. The policies and processes we have in place emphasise risk and quality considerations such that financial and operational priorities do not lead to inappropriate judgements about whether to accept or continue a client relationship.

## Client and Engagement Acceptance and Continuance

PwC Malaysia has a process in place to identify acceptable clients based on the PwC Network's proprietary decision support systems for audit client acceptance and retention called Acceptance. Acceptance facilitates a determination by the engagement team, business management, and risk management specialists of whether the risks related to an existing client or a potential client are manageable, and whether or not PwC should be associated with the particular client and its management. More specifically, this system enables:

### Engagement teams

- To document their consideration of matters required by professional standards related to acceptance and continuance;
- To identify and document issues or risk factors and their resolution, for example through consultation, by adjusting the resource plan or audit approach or putting in place other safeguards to mitigate identified risks or by declining to perform the engagement; and
- To facilitate the evaluation of the risks associated with accepting or continuing with a client and engagement.

### PwC firms

(including PwC firm leadership and risk management)

- To facilitate the evaluation of the risks associated with accepting or continuing with clients and engagements;
- To provide an overview of the risks associated with accepting or continuing with clients and engagements across the client portfolio; and
- To understand the methodology, basis and minimum considerations all other PwC firms in the network have applied in assessing audit acceptance and continuance.





4

# Our people





# Our people

## People strategy

At PwC, we lead by example. Our standards for quality and care are high and we surpass them. We redefine possibilities for our clients and communities. Through diverse starting points and collective expertise, we embrace every opportunity to shape the future.

For us, success means influencing where the world will be. We work with emerging technologies and leading organisations, questioning assumptions about what's next and empowering our people to be their best. We do more than develop skills—we cultivate potential. Our people's growth becomes our clients' advantage. Here, we uncover hidden talents, build lifelong relationships rooted in trust and empathy, and turn challenges into opportunities for innovation.

We are focused on being the world's leading developer of talent and enabling our people with greater agility and confidence in a rapidly changing world. Specific focus areas include creating a resilient foundation for times of change through supporting the wellbeing of our people and enabling effective delivery; developing inclusive leaders for a shifting world; and enabling our workforce for today's realities and tomorrow's possibilities.

### Together, we set the future in motion.

We support our people in making a meaningful impact—one that reaches far beyond PwC.

## Audit staff headcount

Partners	Managerial staff	Non-managerial staff
FY25 : <b>37</b>	FY25 : <b>204</b>	FY25 : <b>1,135</b>
FY24 : 35	FY24 : 187	FY24 : 1,271
FY23 : 28	FY23 : 194	FY23 : 1,329

## Years of experience in staff role

	<1 year	1-3 years	3-5 years	> 5 years
<b>Partners</b>				
FY25	5%	14%	11%	70%
FY24	0%	18%	9%	73%
FY23	0%	11%	18%	71%
<b>Managerial staff</b>				
FY25	18%	29%	15%	38%
FY24	11%	43%	8%	38%
FY23	24%	24%	18%	34%
<b>Non-managerial staff</b>				
FY25	23%	48%	23%	7%
FY24	21%	62%	11%	6%
FY23	42%	41%	14%	3%

## Average years of experience

<b>Partners</b>	
FY25	27
FY24	26
FY23	27
<b>Managerial staff</b>	
FY25	11
FY24	11
FY23	11
<b>Non-managerial staff</b>	
FY25	3
FY24	3
FY23	2

## Audit Quality Indicators



- Average staff retention rate

The PwC Professional

Trusted Leadership

Inspire  
Empower  
Evolve

Distinctive Outcomes

Champion  
Build  
Deliver

In every interaction we demonstrate the PwC Professional behaviours, which underpin how we deliver on our purpose, strategy, and values.

Our purpose grounds our existence, our strategy directs our focus, our values guide our actions, and our behaviours are how we bring it all to life.

Our People Value Proposition (PVP)

Grow here. Go further.

Shaping tomorrow	Committing to growth	Bringing your best, every day	Embracing inclusion, driving impact
Solve important problems for today and tomorrow, impacting people and society	Fuel your development with coaching and constructive feedback	Develop a critical lens and manage risks to drive quality and excellence	Collaborate with a trusted, inclusive team
Gain hands-on expertise and diverse experience, partnering with our clients	Shape your career with the support to build your unique path	Learn from the best	Never go it alone
Innovate with leading technology	Grow through challenging, meaningful work	Stretch yourself and reimagine what's possible	Discover your community with purpose-driven people





### Inclusion and diversity

At PwC, we're an organisation that fosters a culture of belonging and equity where our diverse workforce can thrive and feel like they belong. We do this by delivering on our Inclusion First strategy, which is centred on action, accountability and advocacy, in each of our member firms, across the PwC Network. We embrace and encourage differences and help our people actively develop the skills to work and lead inclusively with our focus on gender equity, disability inclusion, and social inclusion. Underpinning this is ensuring our systems and behaviours are inclusive.



### Recruitment

PwC Malaysia aims to recruit, train, develop, and retain the best and the brightest staff who share in the firm's strong sense of responsibility for delivering high quality services. Our hiring standards include a structured interview process with behaviour-based questions built from The PwC Professional framework, assessment of academic records, and background checks. Across the firm in FY25, we recruited approximately 796 new people, including 527 campus hires.



### Team selection, experience and supervision

Our audit engagements are staffed based on expertise, capabilities, and years of experience. Engagement leaders determine the extent of direction, supervision and review of junior staff.



### Feedback and continuous development

Our team members obtain feedback on their overall performance, including factors related to audit quality, such as technical knowledge, auditing skills, and professional scepticism. Audit quality is an important factor in performance evaluation and career progression decisions for both our partners and staff. Feedback on performance and progression is requested or given via our Feedback Exchange tool. This feedback is multi-directional, which includes downward, peer, and upward feedback leveraging our evolved PwC Professional framework of behaviours. Ongoing feedback conversations help our people grow and learn faster, adapt to new and complex environments, and bring the best to our clients and firm.



### Career progression

Our PwC Professional provides the framework for the behaviours that underpin how we deliver on our purpose, and strategy, and live our values in every interaction, every day. It's made up of two dimensions—Trusted Leadership and Distinctive Outcomes. Together, these dimensions enable us to deliver for ourselves, our clients, and the communities we serve. Our annual performance cycle is supported by continuous feedback conversations and regular check-ins with the individual's Team Leader to discuss their development, progression, and performance based on the PwC Professional.



### Retention

Turnover in the public accounting profession is often high because as accounting standards and regulations change, accountants are in demand and the development experience we provide makes our staff highly sought after in the external market. Our voluntary turnover rate fluctuates based on many factors, including the overall market demand for talent.



### Global People Survey

Each PwC firm participates in an annual Global People Survey, administered across the network to all of our partners and staff. PwC Malaysia is responsible for analysing and communicating results locally, along with clearly defined actions to address feedback.

Response Rate	70%
People Engagement Index	69%
Quality Behaviour Index	81%

## Our commitment to wellbeing

At PwC, the wellbeing of our people is a cornerstone of our people strategy.

We take a holistic approach that goes beyond the traditional, recognising that true wellbeing spans six key dimensions:

1. Physical
2. Emotional
3. Mental
4. Spiritual
5. Financial
6. Social

We're committed to creating an environment where our people can thrive—both personally and professionally. Through flexible policies and arrangements, we empower individuals to define what balance looks like for them, adapting to the different phases of life and career.



Whether it's taking time to recharge, seeking support, or simply finding space to grow, our approach to wellbeing is designed to meet our people where they are—and help them get to where they want to be.

In FY25, we officially enhanced our existing flexFriday programme to flexFriday any Friday, reinforcing the firm's commitment to promoting flexibility for our people. This enhancement came after a pilot in FY24, where we trialed flexFriday every Friday—an upgrade from the previous every second Friday of the month arrangement. This initiative encourages our people to leave work early on Fridays where schedules and commitments allow.

We continued to support our people's wellbeing by offering a range of resources, initiatives, and tools designed to meet their diverse needs across the different dimensions of wellbeing.







### Naluri Health App

Our Employee Assistance Programme (EAP) continues to provide our people easy access to a range of resources on-the-go be it a 24/7 hotline and chatline, health assessments, or learning materials. The mobile app allows our people to chat and consult a range of professionals e.g. psychologist, fitness, financial planner, medical advisor, pharmacist, dietitian, and career coach.



### World Mental Health day (WMHD)

We celebrated WMHD via a 2-week virtual challenge where our people were encouraged to participate in a range of activities, designed to not only support their mental health but also incorporate the sustainable High Performance Routine (HPR).



### Financial Wellbeing Fair

We had a dedicated day to promote financial literacy in the firm. From interactive activity booths to talks on mastering cash flow and credit card debt, this event created a space for employees to learn, ask questions, and build financial resilience.



### Kelab Sosial PwC (KSP)

KSP, organised by the people for the people, had a range of wellbeing classes (from fitness like pilates to others like batik, colouring etc.), Family Day, KSP Night, and Inter-departmental Games. In 2024, KSP also hosted and organised the Inter-Accounting Firm Games.



### Away Days

All Assurance business units continued to organise their individual getaways, offering teams a valuable opportunity to unwind, strengthen bonds, and celebrate shared achievements together.

Our continued efforts on wellbeing initiatives have led to an increase in our Global People Survey results for the relevant wellbeing items.

↑ 8%

I will be able to sustain my current level of effort and productivity over the next year.

↑ 4%

It is possible to have a healthy lifestyle, in a way that is meaningful to me, and be successful at PwC.

↑ 3%

The people I work for are considerate of my life outside of work.

## Professional development

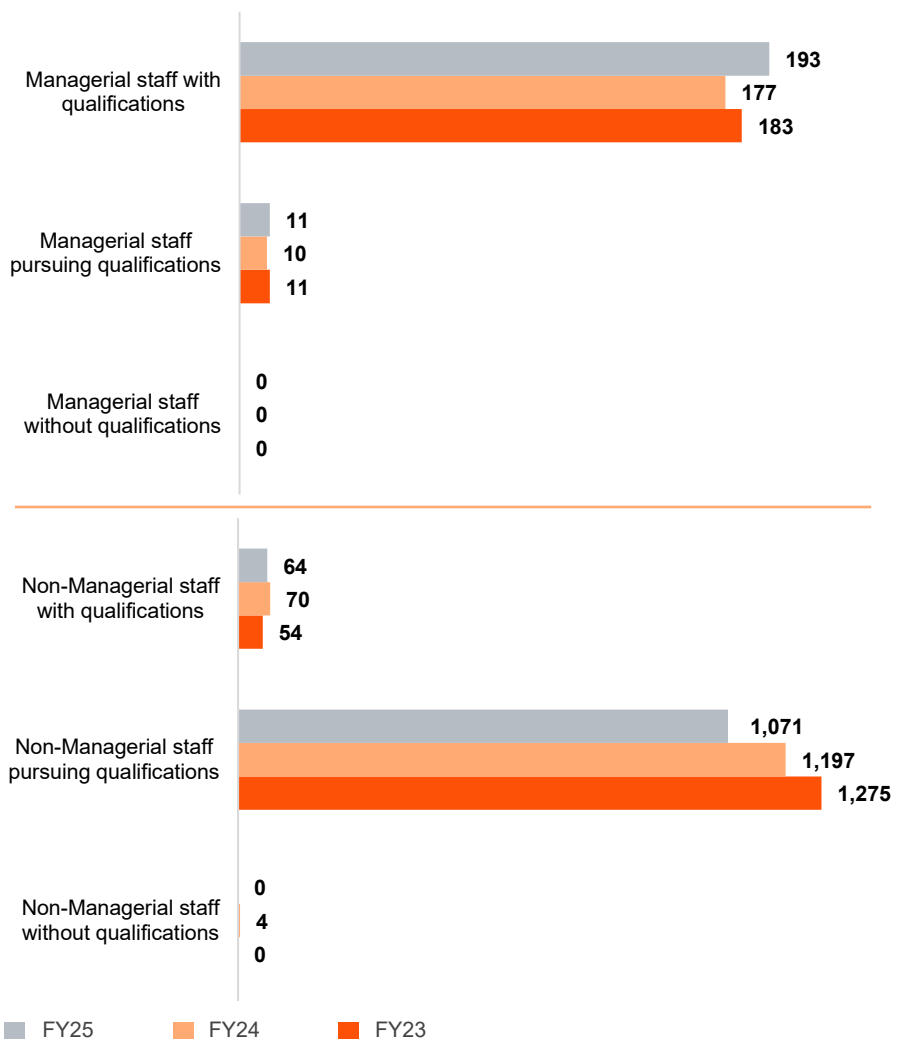
We are committed to putting the right people in the right place at the right time. Throughout our people's careers, they are presented with:

- Career development opportunities
- Classroom (physical and virtual)
- On-demand learning, and
- On-the-job real time coaching/development

Our flexible training portfolio facilitates personalised learning with access to a variety of educational materials including webcasts, podcasts, articles, videos, and courses.

Achieving a professional credential supports our firm's commitment to quality through consistent examination and certification standards. Our goal is to provide our staff with a more individualised path to promotion and support them in prioritising and managing their time more effectively when preparing for professional exams. Providing our people with the ability to meet their professional and personal commitments is a critical component of our people experience and retention strategy.

## Professional qualifications



\* Non-manual staff without professional qualifications in FY24 comprises our Data Centre Of Excellence (COE) team with digital skills who support teams in data auditing.

## Learning and education

### Continuing education

We, and other PwC firms, are committed to delivering quality assurance services around the world. To maximise consistency in the network, the formal curricula, developed at the network level, provide access to training materials covering the PwC audit approach and tools, as well as areas of audit risk and areas of focus for quality improvement.

This formal learning is delivered using a blend of delivery approaches, which include remote access, classroom learning, virtual classroom, and on-the-job support. The curricula supports our primary training objective of quality, while providing practitioners with the opportunity to strengthen their technical and professional skills, including professional judgement while applying a sceptical mindset.

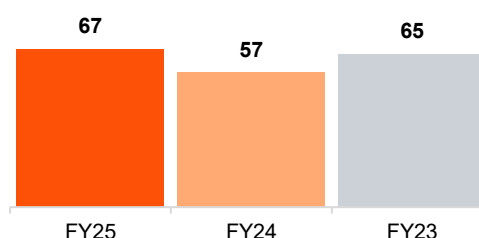
The design of the curriculum allows us to select, based on local needs, when we will deliver the training. In PwC Malaysia, the Assurance Development Committee (“ADC”) is set up to steer the development of PwC Assurance partners and staff. The ADC then considers what additional training is appropriate, be it formal or informal, to address any additional specific local needs. For example, accounting updates on Malaysian Financial Reporting Standards (“MFRS”)/International Financial Reporting Standards (“IFRS”), industry specific training as well as other externally sourced training, covering both technical and non-technical training.

The training hours in FY25 has increased as a result of incremental mandatory technical, AI-related and risk and quality (R&Q) training for partners, and also an increase in tool-related (e.g. updates to our audit documentation tool) and soft skills training for managerial and non-managerial staff.

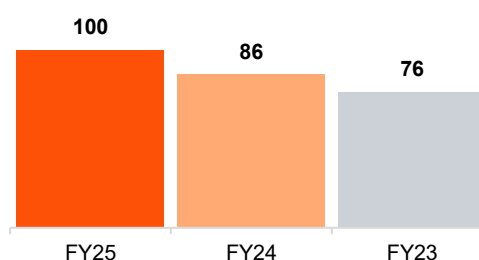
### Average number of training hours



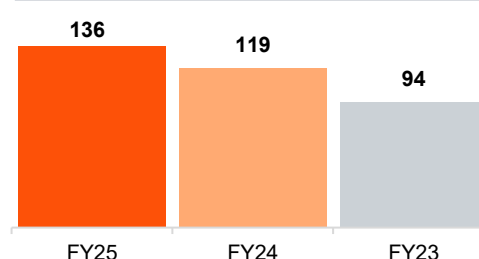
#### Partners



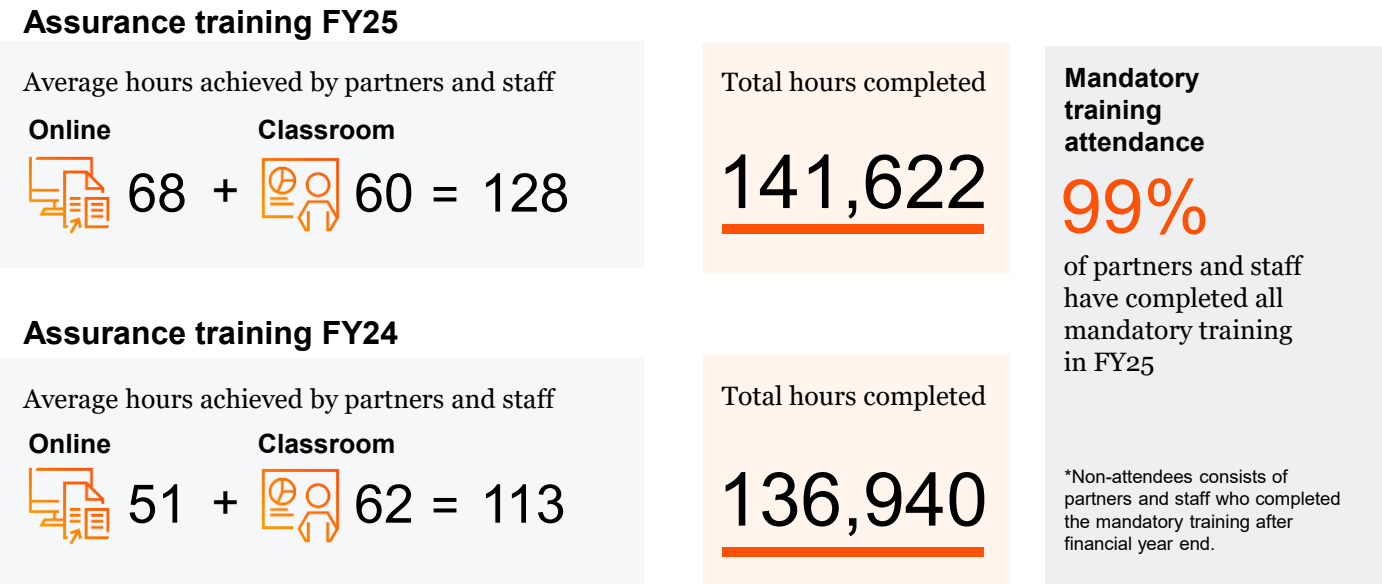
#### Managerial staff




#### Non-managerial staff



## Our training investment in people



### Audit Quality Indicators



- Mandatory training attendance
- Compliance with Global Learning & Education (L&E) Policies





5

# Our Approach



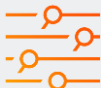
# Our approach

## PwC Audit

At the heart of our approach to audit is a methodology known as the PwC Audit. It is built on three pillars:



**Our people**



**Audit approach**



**Technology**

We are evolving our approach to audit delivery to maximise the experience of our people and ensure high quality work for our clients.

As a member of the PwC Network, PwC Malaysia has access to and uses PwC Audit, a common audit methodology and process. This methodology is based on the International Standards on Auditing (ISAs), with additional PwC policy and guidance provided where appropriate. PwC Audit 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 PwC firms to consistently comply in all respects with applicable professional standards, regulations, and legal requirements.

## Tools and technologies to support our audit



**Aura**, our global audit documentation platform, is used across the PwC Network. Aura helps drive how we build and execute our audit plans by supporting teams in applying our methodology effectively, creating transparent linkage between risks, required procedures, controls, and the work performed to address those risks, as well as providing comprehensive guidance and project management capabilities. Targeted audit plans specify risk levels, controls reliance, and substantive testing. Real-time dashboards show teams audit progress and the impact of scoping decisions more quickly.



**Connect** is our collaborative platform that allows clients to quickly and securely share audit documents and deliverables. Connect also eases the burden of tracking the status of deliverables and resolving issues by automatically flagging and tracking outstanding items and issues identified through the audit for more immediate attention and resolution. Clients are also able to see audit adjustments, control deficiencies, and statutory audit progress for all locations in real time.



**Connect Audit Manager** streamlines, standardises, and automates group and component teams' coordination for group and statutory/regulatory audits. It provides a single digital platform to see all outbound and inbound work and digitises the entire coordination process which facilitates greater transparency, compliance, and quality for complex multi-location audits.



**Halo**, our data auditing tool, addresses large volumes of data, analysing whole populations to improve risk assessment, analysis, and testing. For example, Halo for Journals enables the identification of relevant journals based on defined criteria, making it easier for engagement teams to explore and visualise the data to identify client journal entries to analyse and start the testing process.



**Halo Platform** enables our engagement teams to manage all data extractions, executions and storage for all applications through one central location, allowing our engagement teams to monitor the status of data uploads and use the acquired entity data for multiple applications during the audit.



**The Acquisition Suite** provides secure and easy to use methods of acquiring data from our client's systems and transferring it to PwC. It consists of the following applications/services: Extract, Extract for ABAP, Template Repository/Extraction Configuration Files (ECF) Service, Large File Upload, and Acquisition Hub.



**PwC Confirmations**, our global, secure, web-based confirmation platform, provides a guided experience for preparing, sending, monitoring, and receiving electronic and paper responses for our auditors and third-party confirmers as well as a dashboard view to assist with status updates. The Confirmer portal allows confirmers to easily navigate and provide responses.



**Count**, which facilitates the end-to-end process for observing inventory counts, allows our engagement teams to create and manage count procedures, enables counters to record results directly onto their mobile device or tablet, and allows engagement teams to export final results into Aura.

In addition to these globally created and supported PwC Network tools, in Malaysia we have invested in the following tools:



**Digital Lab** is the PwC network's central repository for citizen-led digital assets and solutions. It serves as our online community where users can find and share tech-powered solutions for driving greater business outcomes. This platform is essential for fostering collaboration and innovation within our network.



**Smart Audit Platform** is a secure web-based portal with a growing suite of integrated intelligent automation tools and solutions based on cutting-edge machine learning and automation technology. These advanced solutions reduce the risk of manual error and enhance the delivery of a consistent and high-quality audit. Current modules include:

- **Financial statements tie-outs:** Checks the accuracy of totals/consistency of data and reviews comparative figures
- **Substantive Testing for Property, Plant and Equipment (PPE) & Operating Expenses (OPEX):** Extracts information from third-party supporting documents and identifies any variances to the OPEX or PPE addition listing
- **Smart Toolbox:** Intelligently extracts information from documents based on user input and converts financial statements from PDF to Excel; and uses AI to build custom automation workflows in order to extract information from similarly formatted documents.

## Our next generation audit

As part of our commitment to building trust and delivering sustained outcomes, the PwC Network is investing in a multi-year effort to deliver a new global audit platform to power our next generation audit, ultimately replacing our legacy technologies such as Aura and Connect.

By exploring and investing in new technologies and redefining underlying audit processes, PwC will further standardise, simplify, centralise, and automate our audit work. PwC's investment will accelerate ongoing innovation and enable us to respond to changing stakeholders' needs while taking advantage of emerging technologies, including generative AI, providing a transformed audit experience focusing on continuous quality enhancement.

PwC's vision for next generation audit is to provide efficient, robust and independent assurance and audit insights across financial and non-financial information, helping to build trust in what matters to our stakeholders. As PwC gains momentum around the next generation audit programme, we will continue to release new capabilities on an ongoing basis to enhance quality and the overall audit experience.

There have been significant investments across the PwC Network into generative AI as we seek to reimagine how we can further enable our people by leveraging the power of AI. We are focused on promoting a culture of responsible usage while supporting ongoing interest and quickly evolving potential use cases for AI, including generative AI.

### ChatPwC

ChatPwC is our intelligent assistant which uses generative AI to respond to text-based questions within a secure PwC environment.

It is capable of engaging in diverse conversation and answering a wide array of questions.

The solution enhances audit processes, including, but not limited to summarising key information and extracting key details from scanned documents.



## Reliability and auditability of audit technologies

Our firm has designed and implemented processes and controls to underpin the reliability of these audit technologies. This includes clarification of the roles and responsibilities of audit technology owners and users. In addition, we have guidance focused on the sufficiency of audit documentation included in the workpapers related to the use of these audit technologies, including consideration of the reliability of the solution, and the documentation needed to assist the reviewer in meeting their direction, supervision and review responsibilities as part of the normal course of the audit.

## Confidentiality and information security

### Information security

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Information security is a high priority for the PwC Network. Our firm is accountable to our people, clients, suppliers, and other stakeholders to protect information that is entrusted to us. Failure to protect information could potentially harm the individuals whose information our firm holds, leading our firm to suffer regulatory sanctions or other financial losses, and impacting the PwC reputation and brand. As such, our firm complies with the Information Security Policy, which outlines the minimum security requirements for all PwC firms.

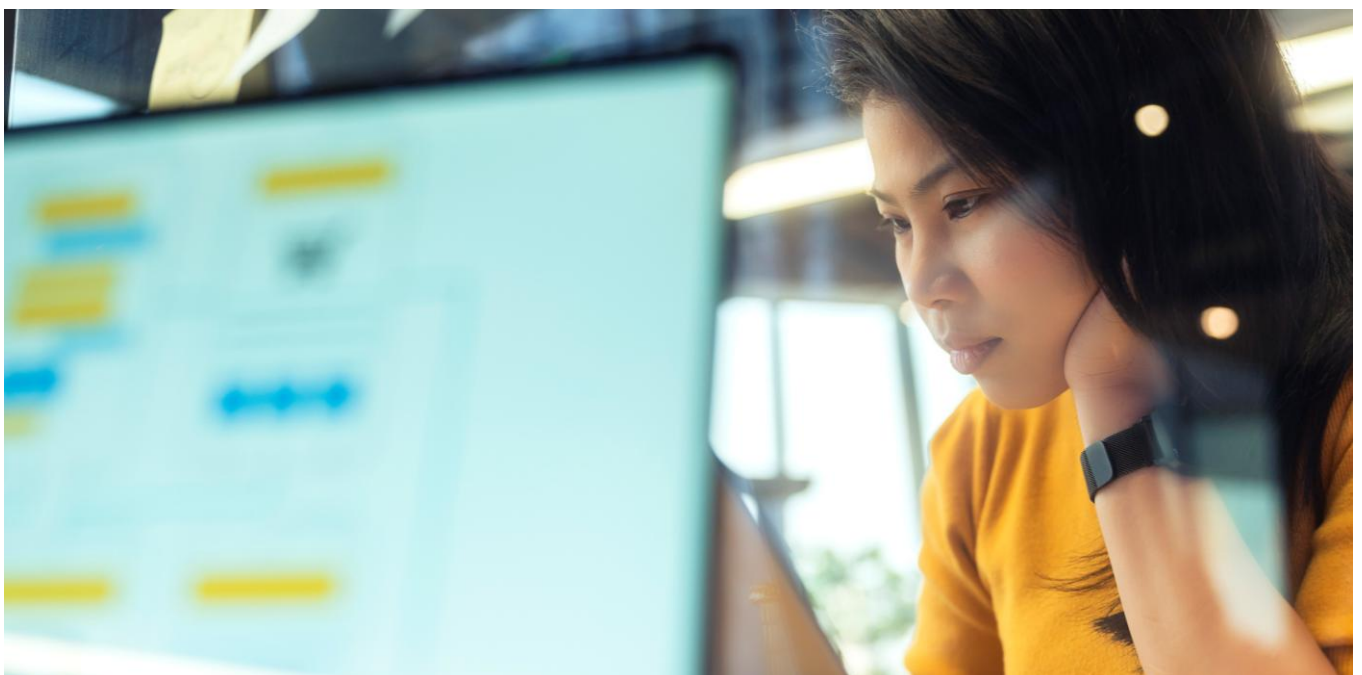
### The PwC Information Security Policy (“ISP”)

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The PwC Information Security Policy (ISP) has been developed to safeguard the confidentiality, integrity, and availability of the information and technology assets used by PwC Malaysia and is aligned with ISO/IEC 27002:2013 Information technology – Security techniques Code of Practice for Information Security Management industry standard.

PwC firm compliance with the ISP is measured through quarterly data-driven assessments as well as a yearly evidence-based assessment for each PwC firm.

Any deviation requires risk evaluation that includes identification of mitigating or compensating controls and a formal tracking of exceptions in accordance with the PwC Network Information Security issue management process.





## Supporting engagement performance



### Evolving delivery model

Our enhanced delivery model strategy focuses on helping us be more competitive and deliver distinctive services to our clients through increased standardisation and automation through the use of our remote talent hub (Nexus) and our Data Centre of Excellence.



### Direction, coaching, supervision, and review

Engagement leaders and experienced engagement team members are responsible and accountable for providing quality coaching throughout the audit and directing, supervising and reviewing the work completed by the junior members of the team and maintaining audit quality. Teams utilise Aura Platinum, which has capabilities to effectively monitor the progress of the engagements to make sure that all work has been completed and reviewed by the relevant individuals, including the engagement leader.



### Consultation culture

Consultation is key to maintaining high audit quality. While we have formal protocols for mandatory consultation, in the pursuit of quality, we regularly consult more than the minimum requirement. For example, our engagement teams routinely speak with experts in areas such as taxation, risk, valuation, and other specialities as well as individuals within our internal technical support functions.



### Technical support function

Our technical support functions comprise technical accounting, auditing and financial reporting specialists as well as risk and quality. These specialists play a vital role in keeping our policies and guidance in these areas current by tracking new developments in accounting and auditing and providing those updates to professional staff.



### Quality Review Partners (QRP)

Specific audit engagements are assigned a QRP as part of the firm's system of quality management as required by professional standards. These partners, who have the appropriate experience, technical knowledge and authority, are involved in the most critical aspects of the audit. For example, they may review judgements on significant risks and the team's responses to those risks, as well as specific issues related to accounting, auditing, financial reporting, and disclosure.



### Differences of opinion

Protocols exist to resolve situations where a difference of opinion arises between the engagement leader and either the QRP, another Assurance partner or central functions such as the technical support functions. These include the use of technical panels consisting of partners independent of the engagement.

## Supporting engagement performance

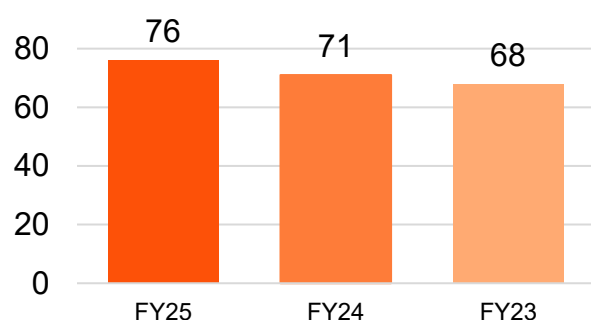
The quality of our work is at the heart of the PwC Network and we invest significant and increasing resources in the continuous enhancement of quality across our network. This includes having a strong quality infrastructure supported by the right people, underlying tools and technology at both the network level and within our firm, and a continuous programme of innovation and investment in our technology. We continue to utilise Assurance practice partners, directors, and managers to develop and deliver training courses and in supporting quality initiatives. Their headcount, however, is not included in the statistics below.

The various Quality Control ("QC") functions are as follows:

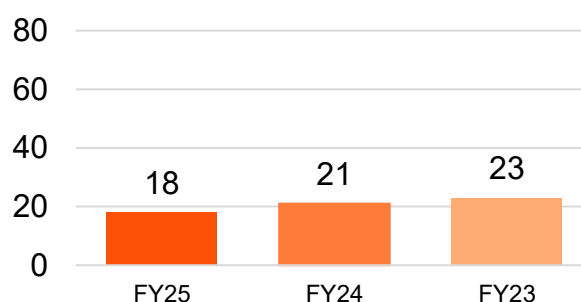
### QC component team

<b>Risk &amp; Quality ("R&amp;Q")</b>  Support provided to audit teams: Risk Management, Independence Office, Office of General Counsel, Regulatory & Compliance and Quality Management	<b>PwC's Academy</b>  Support provided to audit teams: Training and professional development	<b>Corporate Reporting Services ("CRS")</b>  Support provided to audit teams: Technical accounting matters
<b>Methodology</b>  Support provided to audit teams: Technical auditing matters	<b>Business Transformation</b>  Support provided to audit teams: Audit transformation initiatives and use of tools and technology	<b>ISA Reporting</b>  Support provided to audit teams: Matters relating to reports issued by audit teams including Key Audit Matters

### Headcount in a QC role



### Average staff per QC headcount



# Monitoring





# Monitoring

## Monitoring of Assurance quality

We recognise that quality in the Assurance services we deliver to clients is key to maintaining the confidence of investors and other stakeholders in the integrity of our work. It is a key element to our Assurance strategy.

Responsibility for appropriate quality management lies with the leadership of PwC Malaysia. This includes the design and operation of an effective SoQM that is responsive to our specific risks to delivering quality audit engagements, using the network's QMSE framework.

The overall quality objective under the QMSE framework is to have the necessary capabilities in our firm and to deploy our people to consistently use our methodologies, processes, and technology in the delivery of Assurance services in an effective and efficient manner to fulfil the valid expectations of our clients and other stakeholders.

Our firm's monitoring includes an ongoing assessment aimed at evaluating whether the policies and procedures which constitute our SoQM are designed appropriately and operating effectively to provide reasonable assurance that our audit, non-audit assurance, and related services engagements are performed in compliance with laws, regulations, and professional standards (also referred to as our ongoing monitoring). This includes the use of Real-Time Assurance.

## Audit Quality Indicators



- **Total number of Engagement Compliance Reviews (ECRs)**
- **Number of ECRs rated as Compliant, Compliant with Improvement Required, Non-Compliant**
- **ECRs rated as Compliant, Compliant with Improvement Required, Non-Compliant related to total number of ECRs (%)**





## Aim to Predict: Real Time Assurance

We have developed a Real-Time Assurance (RTA) programme designed to provide preventative monitoring that helps coach and support engagement teams to get the 'right work' completed in real-time, during the audit.

All partners have an audit engagement selected for review at least once every two years. Audit engagements with different year ends and complexity are selected. The RTA programme is carried out by experienced reviewers to provide coaching to engagement teams and identify shareable best practices.

The RTA programme is refined yearly for process improvement and enhancement of the effectiveness of the programme, incorporating feedback received and taking into consideration quality review observations. One refinement made during the year involves the continued inclusion of other subject matter experts, with an increased number of experts participating compared to the previous year, in addition to reviews performed by a fully dedicated team of reviewers (i.e., Methodology team) supported by Assurance practice partners, directors, and experienced managers. It incorporates key areas of focus for the year and quality observations that may require specific attention.

### Total number of network audit engagement reviews

**FY25**
**11**
**FY24**
**11**
**FY23**
**11**

### Compliance results of network audit engagement reviews

**FY25  
PIEs**
**100%**
**Non-PIEs**
**86%**
**FY24  
PIEs**
**100%**
**Non-PIEs**
**100%**
**FY23  
PIEs**
**100%**
**Non-PIEs**
**67%**

In FY25, there was one Non-Compliance related to a non-listed, non-PIE audit engagement. The findings from the engagement review did not require a reissuance of the audit report or a restatement. A root cause analysis (RCA) was performed and the results of the RCA have been included in our annual Quality Improvement Plan where we learn from the inspection and take corrective actions to further improve our audit quality to avoid similar findings in future audits.



## Monitoring of Assurance quality

In addition to the ongoing monitoring noted above, our monitoring also encompasses periodic assessments of our SoQM, which includes the review of completed engagements (Engagement Compliance Reviews - ECR), as well as periodic monitoring of our SoQM by an objective team consisting of team members within our firm as well as other firms within the PwC Network.

The results of these procedures, together with our ongoing monitoring, form the basis for the continuous improvement of our SoQM. ECRs are performed under a network-wide inspection programme based on professional standards and the PwC Audit methodology.



ECRs are risk-focused reviews of completed engagements covering, on a periodic basis:

- individuals in our firm who are authorised to sign audit,
- non-audit assurance
- or related services reports.

The review assesses whether an engagement was performed in compliance with:

- PwC Audit guidance
- applicable professional standards
- other applicable engagement-related policies and procedures

Each Assurance partner is reviewed at least once every five years, unless a more frequent review is required based on the profile of that Assurance partner's client engagements or due to local regulatory requirements.

**Reviews are led by experienced Assurance partners,** supported by objective teams of partners, directors, senior managers, and other specialists.

**ECR reviewers** may be sourced from other PwC firms if needed to provide appropriate expertise or objectivity.

**Review teams** receive training to support them in fulfilling their responsibilities and utilise a range of checklists and tools developed at the network level when conducting their inspection procedures.

**The network inspection team** supports review teams by monitoring the consistent application of guidance on classification of engagement findings and engagement assessments across the network.

## Audit quality reviews - external (PIEs only)

Results of external inspections of Public Interest Entity (“PIE”) audit engagements conducted by the Audit Oversight Board (“AOB”) during their annual inspection visits.

**FY25**

**2** out of **4\***

engagements reviewed  
with no findings

**FY24**

**2** out of **2**

engagements reviewed  
with no findings

**FY23**

**4** out of **4**

engagements reviewed  
with no findings

\*The findings from the engagement reviews did not require a reissuance of the audit report or a restatement to the financial statements.

As part of the annual inspection, the Audit Oversight Board (AOB) conducts firm-level reviews in accordance with ISQM 1. During FY25, the AOB provided observations which includes improvements to our acceptance and continuance procedures, amongst others, aimed at further elevating audit quality through a comprehensive SoQM.

We have conducted root cause analyses on all inspection findings and have developed a remediation plan, which has been approved by the AOB. This plan has been incorporated into our Quality Improvement Plan and will be monitored until full execution.

Additionally, the PwC Network undertakes periodic reviews to evaluate certain elements of PwC firms’ SoQMs. The network also looks at the PwC firm leadership’s own assessment of the effectiveness of their system of quality management and their determination of whether the overall quality objective has been achieved.

The inspection results are reported to our firm’s leadership who are responsible for analysing the results of the inspections along with quality findings identified from all sources of information, for performing timely root cause analysis, and for implementing remedial actions as necessary. In situations where adverse quality matters on engagements are identified, based on the nature and circumstances of the issues, the responsible engagement leader or our firm’s Assurance leadership personnel may be subject to additional mentoring, training or further sanctions in accordance with our firm’s Recognition and Accountability Framework.

Assurance engagement leaders of our firm receive information on the results of the network inspection programme, designed for their use in assessing the scope of audit work they determine needs to be performed and their reliance on work performed by PwC firms in connection with their audit of a client’s consolidated financial statements.

## Litigations

There were no instances where the authorities or regulators have taken action against PwC Malaysia or its audit partners during the year. PwC Malaysia is currently not facing any litigations that will have a material impact on our business.

## Audit Quality Indicators



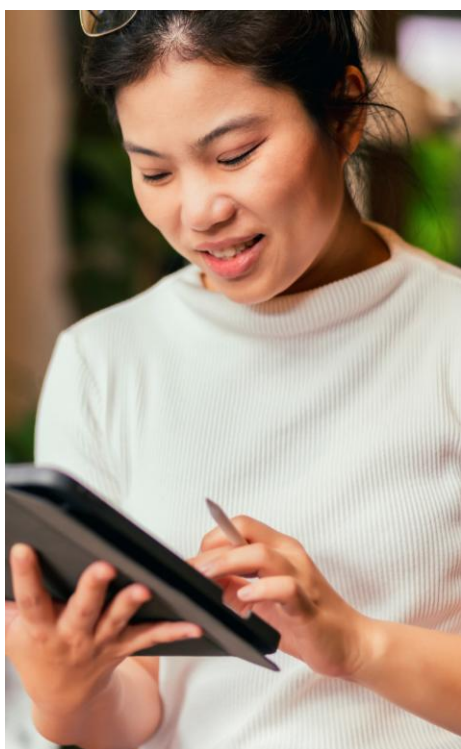
- Total number of file reviews by external regulators
- Number of file reviews by other external regulators resulting in non-compliance (or equivalent)

## Learn: Root cause analysis

We perform analyses to identify potential factors contributing to our firm's audit quality so that we can take actions to continuously improve.

Our primary objectives when conducting such analyses are:

- 1 To understand what our findings tell us about our SoQM and
- 2 To identify how our firm can provide an effective environment for our engagement teams to deliver a quality audit.



We analyse quality findings from all sources including our own ongoing monitoring as well as Network inspection of our SoQM, audits both with and without findings —whether identified through our own internal inspections process or through external inspections, and other inputs such as our Global People Survey and restatements due to material errors—to identify possible distinctions and learning opportunities.

For individual audits, an objective team of root cause specialists identifies potential factors contributing to the overall quality of the audit. We consider factors relevant to technical knowledge, supervision and review, professional scepticism, engagement resources and training, amongst others. Potential causal factors are identified by evaluating engagement information, performing interviews and reviewing selected audit working papers to understand the factors that may have contributed to audit quality.

In addition, the data compiled for audits, both with and without engagement-level findings, is compared and contrasted to identify whether certain factors appear to correlate to audit quality. Examples of this data include the hours incurred on the audit by the key engagement team members, experience of the engagement teams and the timing of the review of audit work performed.

### Our goal

**To understand how quality audits may differ from those with engagement-level findings, and to evaluate how these learnings may be used to continuously improve all of our audits.**

We evaluate the results of these analyses to identify enhancements that may be useful to implement across the practice. We believe these analyses contribute significantly to the continuing effectiveness of our quality management. We utilise data to validate or corroborate information gathered from interviews, aiming to identify root causes rather than symptoms. As an integral part of the process, we design and implement remedial actions to address the identified root causes. The outcomes are promptly communicated to leadership to obtain support for these actions, which are then monitored for effectiveness.



7

# PwC Network





# PwC Network

## PricewaterhouseCoopers International Limited

PwC is the brand under which the member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide professional services. Together, these firms form the PwC Network. 'PwC' is often used to refer either to individual firms within the PwC Network or to several or all of them collectively.

In many parts of the world, accounting firms are required by law to be locally owned and independent. Although regulatory attitudes on this issue are changing, PwC member firms do not and cannot currently operate as a corporate multinational. The PwC Network is not a global partnership, a single firm, or a multinational corporation.

For these reasons, the PwC Network consists of firms which are separate legal entities. The firms that make up the network are committed to working together to provide quality service offerings for clients throughout the world. Firms in the PwC Network are members in, or have other connections to, PricewaterhouseCoopers International Limited (PwCIL), an English private company limited by guarantee.

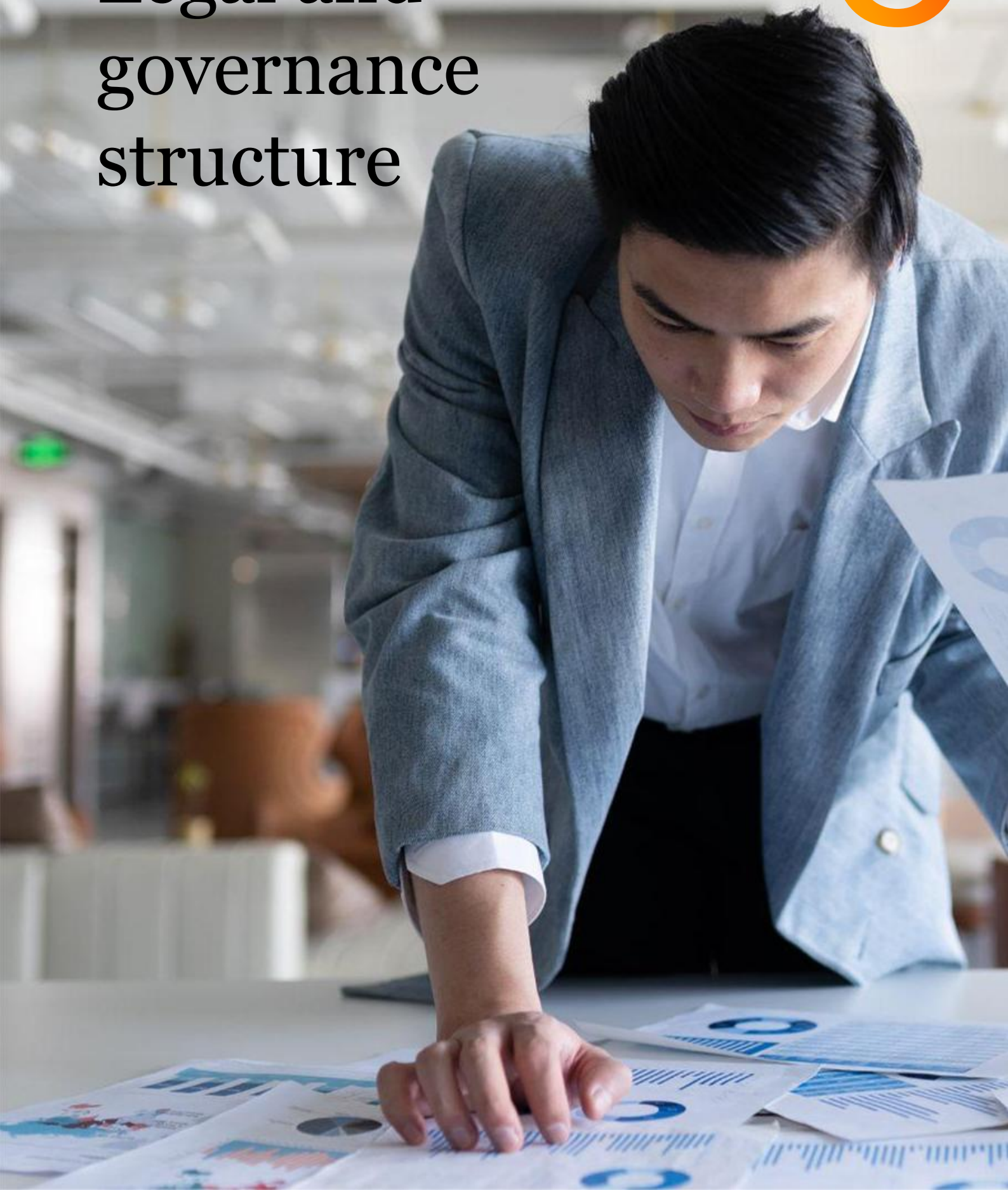
PwCIL does not practise accountancy or provide services to clients. Rather its purpose is to facilitate coordination between member firms in the PwC Network. Focusing on key areas such as strategy, brand, and risk and quality, the Network Leadership Team and Board of PwCIL develop and implement policies and initiatives to achieve a common and coordinated approach amongst individual PwC firms where appropriate. Member firms of PwCIL can use the PwC name and the resources and methodologies of the PwC Network. In addition, member firms may request the resources of other member firms and/or secure the provision of professional services by other member firms and/or other entities. In return, member firms are bound to abide by certain common policies and to maintain the standards of the PwC Network as put forward by PwCIL.

The PwC Network is not one international partnership and PwC member firms are not otherwise legal partners with each other. Many of the member firms have legally registered names which contain 'PricewaterhouseCoopers,' however there is no ownership by PwCIL. A member firm cannot act as agent of PwCIL or any other member firm, cannot obligate PwCIL or any other member firm, and is liable only for its own acts or omissions and not those of PwCIL or any other member firm. Similarly, PwCIL cannot act as an agent of any member firm, cannot obligate any member firm, and is liable only for its own acts or omissions.

## The governance bodies of PwCIL

1. **Global Board**, which is responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of network standards. The Board does not have an external role. The Board is comprised of elected partners from PwC firms around the world and one or more external independent directors. Please refer to the following [page on the PwC Global website](#) for a list of the current members of the Global Board.
2. **Network Leadership Team**, which is responsible for setting the overall strategy for the PwC Network and the standards to which the PwC firms agree to adhere.
3. **Strategy Council**, which is made up of the leaders of the largest PwC firms and regions of the network, agrees on the strategic direction of the network and facilitates alignment for the execution of strategy.
4. **Global Leadership Team**, which is appointed by and reports to the Network Leadership Team and the Chairman of the PwC Network. Its members are responsible for leading teams drawn from PwC firms to coordinate activities across all areas of our business.

# Legal and governance structure



# Legal and governance structure

## Legal structure ownership of PwC Malaysia

PricewaterhouseCoopers PLT is the audit entity for PwC in Malaysia, with 37 audit partners. PricewaterhouseCoopers PLT and its affiliated corporate entities listed in Appendix 1 below form PwC Malaysia ("the firm"). PwC Malaysia is wholly owned by the partners of the firm. Partners have equal voting rights in all matters relating to the corporate entities.

There are no instances of partners with more than 10% share in the partnership, and there are no family relationships between partners undertaking leadership roles or holding substantial equity in the partnership of more than 10% share with other partners in the firm.

### Leadership and governance structure

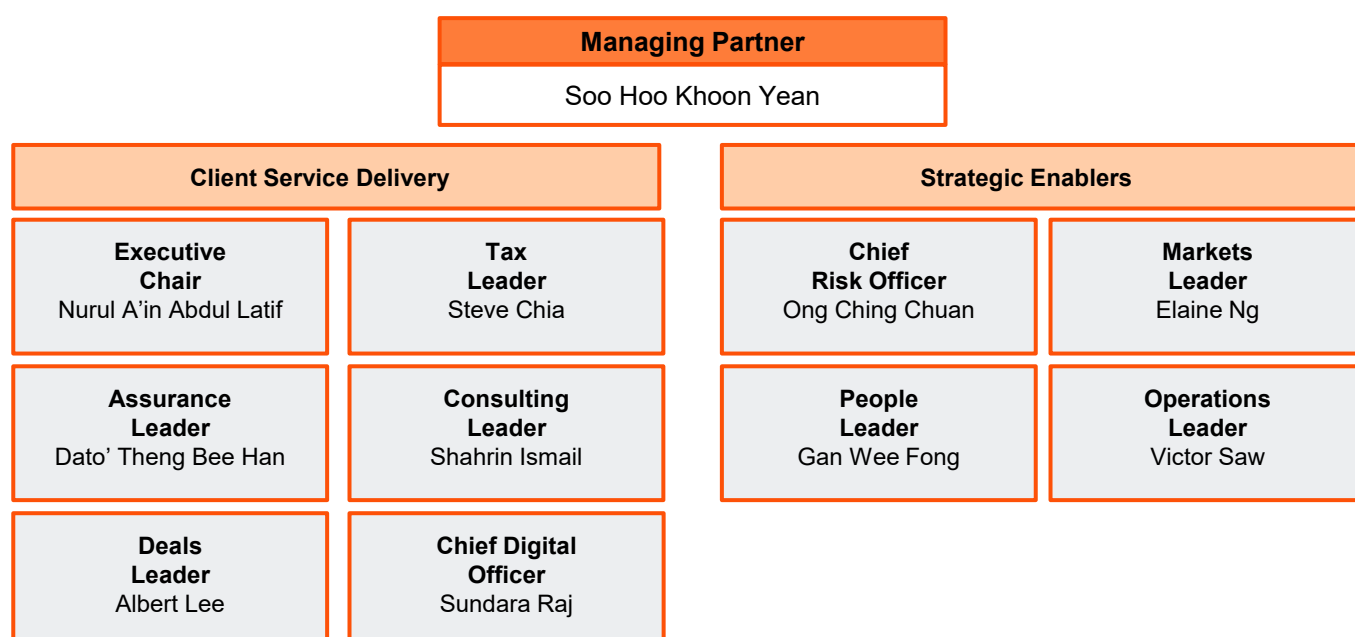
Our leadership and governance structure reflects our partnership model. We have a Managing Partner who, once elected, forms the Country Management Team ("CMT") which is made up of partners. The CMT's activities are governed by the Partnership Agreement. Each member of the CMT is subject to formal, rigorous, and ongoing performance evaluation.

The Oversight Board ("OB") is established to independently hold the Managing Partner accountable to the Partners regarding the firm's operations. The main role of OB includes acting as a sounding board for strategic matters affecting partners and overseeing internal partnership matters such as partner admission and withdrawals. OB also oversees the personal plan of the Managing Partner. OB currently comprises four partners who were elected by the majority of the firm's partners.

### Areas of focus for the CMT

The CMT considers a wide range of issues for the firm such as risk, strategy, reputation, people matters including health and wellbeing, technology, return on investments, and culture and has supported, given guidance to and challenged the Managing Partner.

The CMT provides oversight of the long-term strategy and certain partner matters under the Partnership Agreement. The CMT meets monthly, with additional meetings called when required.





# Appendices



## Appendix 1:

Details of affiliated corporate entities as at 30 June 2025 that form PwC Malaysia

Name of Entity		Principal business activity	Country of incorporation
1	PricewaterhouseCoopers PLT	Providing audit and assurance services	Malaysia
2	PricewaterhouseCoopers Hldgs Malaysia PLT	Investment holding entity	Malaysia
3	PricewaterhouseCoopers Advisory Services Sdn Bhd	Providing advisory services	Malaysia
4	PricewaterhouseCoopers Taxation Services Sdn Bhd	Providing taxation and other consultancy services, including corporate secretarial services	Malaysia
5	PricewaterhouseCoopers eTax.com Sdn Bhd	Research and development of tax technology solutions	Malaysia
6	PricewaterhouseCoopers Risk Services Sdn Bhd	Risk assurance services	Malaysia
7	PricewaterhouseCoopers Capital Sdn Bhd	Provision of advisory services	Malaysia
8	PwC Consulting Services (M) Sdn Bhd #	Provision of consulting services	Malaysia
9	PwC Consulting Associates (M) Sdn Bhd #	Provision of consultancy services	Malaysia
10	PricewaterhouseCoopers WMS (Malaysia) Sdn Bhd #	Provision of advice and consultancy services regarding customs excise and international trade projects	Malaysia
11	PricewaterhouseCoopers Associates Sdn Bhd	Provision of management services	Malaysia
12	PricewaterhouseCoopers Actuarial Services (Malaysia) Sdn Bhd *	Provision of actuarial services to clients	Malaysia
13	PricewaterhouseCoopers Service Delivery Center (Malaysia) Sdn Bhd #	Provision of support services to its parent company and its network of member firms	Malaysia
14	PricewaterhouseCoopers Malaysia Holdings Sdn Bhd	Investment holding company	Malaysia
15	PwC Corporate Business Restructuring Services PLT	Provision of liquidation and insolvency services	Malaysia
16	PricewaterhouseCoopers Services Sdn Bhd	Provision of tax and accounting services using a suite of digitalisation tools and platforms	Malaysia

# entity where PwC Malaysia has a beneficial interest

\* not owned by, or part of PwC Malaysia



## Appendix 2:

List of Public Interest Entities audited by PwC Malaysia as at 30 June 2025 (1/2)

### Public Listed Companies (PLCs)

1. Affin Bank Berhad
2. Alliance Bank Malaysia Berhad
3. Allianz Malaysia Berhad
4. Astro Malaysia Holdings Berhad
5. Axiata Group Berhad
6. Bank Islam Malaysia Berhad
7. Bumi Armada Berhad
8. Carlsberg Brewery Malaysia Berhad
9. CelcomDigi Berhad
10. CIMB Group Holdings Berhad
11. Cnergenz Berhad
12. CPE Technology Berhad
13. CTOS Digital Berhad
14. Deleum Berhad
15. Dutch Lady Milk Industries Berhad
16. Eco-Shop Marketing Berhad
17. FGV Holdings Berhad
18. Gas Malaysia Berhad
19. Genting Berhad
20. Harrison's Holdings (Malaysia) Berhad
21. Hibiscus Petroleum Berhad
22. Hong Leong Financial Group Berhad
23. Lianson Fleet Group Berhad
24. IGB Berhad
25. IJM Corporation Berhad
26. IOI Properties Group Berhad
27. Leong Hup International Berhad
28. MBSB Berhad (fka Malaysia Building Society Berhad)
29. Malaysian Resources Corporation Berhad
30. Maxis Berhad
31. Media Prima Berhad
32. Mesiniaga Berhad
33. Metrod Holdings Berhad
34. Petra Energy Berhad
35. Petron Malaysia Refining & Marketing Bhd.
36. RHB Bank Berhad
37. Scicom (MSC) Berhad
38. SD Guthrie Berhad (fka Sime Darby Plantation Berhad)
39. SFP Tech Holdings Berhad
40. Sime Darby Berhad
41. Sime Darby Property Berhad
42. Syarikat Takaful Malaysia Keluarga Berhad
43. Tenaga Nasional Berhad
44. TIME dotCom Berhad
45. Wasco Berhad
46. Yinson Holdings Berhad
47. YTL Power International Berhad
48. V.S. Industry Berhad

### Listed subsidiaries under PLCs

49. Genting Malaysia Berhad
50. Genting Plantations Berhad
51. Hong Leong Bank Berhad
52. Hong Leong Capital Berhad
53. MSM Malaysia Holdings Berhad
54. Teo Seng Capital Berhad

### Financial Institutions

55. Affin Hwang Investment Bank Berhad
56. Affin Islamic Bank Berhad
57. AIA Bhd.
58. AIA General Berhad
59. AIA Public Takaful Bhd.
60. AIG Malaysia Insurance Berhad
61. Alliance Islamic Bank Berhad
62. Allianz General Insurance Company (Malaysia) Berhad
63. Allianz Life Insurance Malaysia Berhad
64. Bank Of America Malaysia Berhad
65. Boost Bank Berhad
66. Chubb Insurance Malaysia Berhad
67. CIMB Bank Berhad
68. CIMB Investment Bank Berhad
69. CIMB Islamic Bank Berhad
70. Great Eastern General Insurance (Malaysia) Berhad
71. Great Eastern Life Assurance (Malaysia) Berhad
72. Great Eastern Takaful Berhad
73. Hannover Rueck SE Malaysian Branch
74. Hong Leong Assurance Berhad
75. Hong Leong Investment Bank Berhad
76. Hong Leong Islamic Bank Berhad
77. Hong Leong MSIG Takaful Berhad
78. HSBC Amanah Malaysia Berhad
79. HSBC Bank Malaysia Berhad
80. J.P. Morgan Chase Bank Berhad
81. KAF Digital Bank Berhad
82. KAF Investment Bank Berhad
83. MBSB Bank Berhad
84. MIDF Amanah Investment Bank Berhad
85. OCBC Al-Amin Bank Berhad
86. OCBC Bank (Malaysia) Berhad
87. QBE Insurance (Malaysia) Berhad
88. RHB Insurance Berhad
89. RHB Investment Bank Berhad
90. RHB Islamic Bank Berhad

## Appendix 2:

List of Public Interest Entities audited by PwC Malaysia as at 30 June 2025 (2/2)

### Financial Institutions (cont'd)

- 91. Syarikat Takaful Malaysia Am Berhad
- 92. The Pacific Insurance Berhad
- 93. Tokio Marine Insurans (Malaysia) Berhad
- 94. Tokio Marine Life Insurance Malaysia Bhd.

### CMSL Holders

- 95. AHAM Asset Management Berhad
- 96. AIA Pension And Asset Management Sdn. Bhd.
- 97. AIIMAN Asset Management Sdn. Bhd.
- 98. Alpha REIT Managers Sdn. Bhd.
- 99. Axis REIT Managers Berhad
- 100. BIMB Investment Management Berhad
- 101. BIMB Securities Sdn. Bhd.
- 102. BOS Wealth Management Malaysia Berhad
- 103. CIMB Securities Sdn. Bhd.

### CMSL Holders (cont'd)

- 104. Franklin Templeton Asset Management (Malaysia) Sdn. Bhd.
- 105. Franklin Templeton GSC Asset Management Sdn. Bhd.
- 106. Guidance Investments Sdn. Bhd.
- 107. Hong Leong Asset Management Bhd
- 108. Hong Leong Islamic Asset Management Sdn. Bhd.
- 109. IGB REIT Management Sdn. Bhd.
- 110. JP Morgan Securities (Malaysia) Sdn. Bhd.
- 111. KAF Investment Funds Berhad
- 112. KIP REIT Management Sdn. Bhd.
- 113. Macquarie Capital Securities (Malaysia) Sdn. Bhd.
- 114. MIDF Amanah Asset Management Berhad
- 115. MTC Asset Management (M) Sdn. Bhd.
- 116. RHB Asset Management Sdn. Bhd.
- 117. RHB Islamic International Asset Management Berhad

### Capital Market Compensation Fund Corporation

- 118. Capital Market Compensation Fund Corporation





