KEMENTERIAN SUMBER MANUSIA

NIOSH
National Institute of Occupational Safety and Health

NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH (NIOSH)
Institut Keselamatan dan Kesihatan Pekerjaan Negara

2023

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH

(A Company Limited by Guarantee and Not Having a Share Capital)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

CONTENTS

CORPORATE INFORMATION

DIRECTORS

- YB. Chong Chieng Jen
- YBrs. G. Manivannan A/L Gowindasamy
- Tuan Haji Ayop Bin Salleh
- Tuan Major Haji Hanif Bin Maidin (RTD)
- Datuk Dr. Norhayati Binti Rusli
- Puan Zamzarina Binti Abu Bakar
- YBrs. Ir. Haji Mohd Hatta Bin Zakaria
- Prof. Dr. Ismail Bin Bahari
- Dr. Tan Guat Lin
- Prof. Madya Ts. Dr. Shamsul Bahari Bin Shamsudin
- Dr. Sharudin Bin Shari
- Encik Mohd Rahimee Subramaniam Bin Abdullah

SECRETARIES

- Alishah Bin Hashim (MIA 8022)
- Nurul Zhorifah Binti Jaffridin (MIA 51817)
- Nurul Nadiah Binti Mohd Abd Rasid (MIA 44423)

BANKERS

- Bank Islam Malaysia Berhad
- Malayan Banking Berhad
- Bank Kerjasama Rakyat Malaysia Berhad

REGISTERED OFFICE AND PLACE OF BUSINESS

Lot 1, Jalan 15/1, Seksyen 15
43650 Bandar Baru Bangi
Selangor Darul Ehsan

AUDITORS

IDRIS IBRAHIM & CO. (AF 1047)
Chartered Accountants (Malaysia)

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Institute for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Institute are to contribute towards efforts in upgrading occupational safety and health through developing curriculum and training programmes, conducting applied research and development, providing advisory and consultancy services and dissemination of relevant information in occupational safety and health to various industries.

The principal activities of the subsidiary is described in Note 5 to the financial statements.

There have been no significant changes in the nature of the activities of the Institute and its subsidiary during the current financial year.

RESULTS

	GROUP RM	INSTITUTE RM
Net surplus for the financial year	11,751,009	11,562,023

RESERVES AND PROVISIONS

There were no material transfers to and from reserves and provisions during the financial year except as disclosed in the financial statements.

DIRECTORS

The Directors who held office since the end of the previous financial year until the date of this report are as follows:

- YB. Chong Chieng Jen *(Appointed on 22.02.2024)*
- YBrs. G. Manivannan A/L Gowindasamy *(Appointed on 22.02.2024)*
- Tuan Haji Ayop Bin Salleh
- Tuan Major Haji Hanif Bin Maidin (RTD)
- Datuk Dr. Norhayati Binti Rusli
- Puan Zamzarina Binti Abu Bakar
- YBrs. Ir. Haji Mohd Hatta Bin Zakaria *(Appointed on 22.02.2024)*
- Prof. Dr. Ismail Bin Bahari
- Dr. Tan Guat Lin
- Prof. Madya Ts. Dr. Shamsul Bahari Bin Shamsudin
- Dr. Sharudin Bin Shari
- Encik Mohd Rahimee Subramaniam Bin Abdullah

DIRECTORS' REPORT
(CONT'D)

DIRECTORS (Continued)

The Directors who held office since the end of the previous financial year until the date of this report are as follows: (Continued)

- YB. Datuk Senator Mohan A/L Thangarasu *(Resigned on 17.01.2023)*
- YB. Datuk Wilson Ugak Anak Kumbong *(Resigned on 17.01.2023)*
- Encik Thomas Balan Bang *(Resigned on 13.02.2023)*
- Datuk Haji Shamsuddin Bin Bardan *(Resigned on 13.02.2023)*
- Encik Matkar Bin Siwang *(Resigned on 13.04.2023)*
- Tuan Maniam A/L Arumugam *(Resigned on 24.01.2023)*

As specified in Para 53(a) of the Constitution of National Institute of Occupational and Health, two-thirds (2/3) of the Board members shall be the Government nominees appointed by the Minister Responsible for the Institute, which currently is under Minister of Human Resources.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Institute is a party, with the object or objects of enabling Directors of the Institute to acquire benefits by means of the acquisition of shares in or debentures of the Institute or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Institute or a related corporation with the Director or with a firm of which the Director is a member, or with a Institute in which the Director has a substantial financial interest.

DIRECTORS' REMUNERATIONS

Details of Director' remunerations are set out in Note 16 to the financial statements.

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the Director, officer or auditor of the Institute.

DIRECTORS' REPORT
(CONT'D)

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Institute were prepared, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of impairment and the making of allowance for impairment, and have satisfied themselves that all known impairment have been written off and that adequate allowance had been made for impairment; and

(b) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Institute have been written down to an amount which they might be expected so to realise.

As of the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amount written off for impairment or the amount of the allowance for impairment inadequate to any substantial extent in the financial statements of the Group and of the Institute; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Institute misleading; or

(c) which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Institute misleading or inappropriate; or

(d) not otherwise dealt with in this report or in the financial statements which would render any amount stated in the financial statements of the Group and of the Institute misleading.

As of the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Institute which has arisen since the end of the financial year which secures the liabilities of any other person, or

(b) any contingent liability of the Group and of the Institute which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Institute to meet its obligations as and when they fall due.

In the opinion of the Directors:

(a) the results of the operations of the Group and of the Institute for the financial year ended 31 December 2023 were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Institute for the financial year in which this report is made.

DIRECTORS' REPORT
(CONT'D)

AUDITORS' REMUNERATIONS

The auditors' remuneration is disclosed in Note 16 to the financial statements.

AUDITORS

The auditors, MESSRS IDRIS IBRAHIM & CO., have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors:

YB. CHONG CHIENG JEN
Chairman

AYOP BIN SALLEH
Executive Director

Selangor
Dated: **26 March 2024**

STATEMENT BY DIRECTORS
SECTION 251(2) OF THE COMPANIES ACT 2016

The Directors of **NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH,** state that, in their opinion, the financial statements of the Group and of the Institute set out on pages 11 to 60 are drawn up in accordance with the Malaysian Financial Reporting Standards; International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Institute as at 31 December 2023 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

YB. CHONG CHIENG JEN
Chairman

AYOP BIN SALLEH
Executive Director

Selangor
Dated: **26 March 2024**

STATUTORY DECLARATION
SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, AYOP BIN SALLEH, being the officer primarily responsible for the financial management of NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH do solemnly and sincerely declare that the financial statements as set out on pages 11 to 60 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above-named AYOP BIN SALLEH at Bangi in the state of Selangor on **26 March 2024** }

AYOP BIN SALLEH

Before me,

PESURUHJAYA SUMPAH
NO B 614
Commissioner for Oaths
Selangor
1/1/2024 - 31/12/2026
MALAYSIA

TETUAN AMIRUL & HUSNI
PEGUAMBELA & PEGUAMCARA
B-10-2, BANGI GATEWAY,
PERSIARAN PEKELILING, SEKSYEN 15,
43850 BANDAR BARU BANGI, SELANGOR

Commissioner for Oaths
Selangor

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of National Institute of Occupational Safety and Health, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Institute, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Institute for the financial year then ended and notes to the financial statements, including a summary of significant accounting policies as set out on pages 11 to 60.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Institute as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"); International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Institute in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Institute are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Group and of the Institute and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Institute does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Institute, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Group and of the Institute or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH (CONT'D)

Responsibilities of the Directors for the Financial Statements

The Directors of the Institute are responsible for the preparation of financial statements of the Group and of the Institute that give a true and fair view in accordance with Malaysian Financial Reporting Standards ("MFRS"); International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Institute that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Institute, the Directors are responsible for assessing the Group's and the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors have either intend to liquidate the Group and of the Institute or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Institute as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Institute, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness the Group's and the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt of the Group's or the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Institute or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Institute to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Institute, including the disclosures, and whether the financial statements of the Group and of the Institute represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH (CONT'D)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

The financial statements of the Group and of the Institute for the financial year ended 31 December 2022 were audited by another auditor whose report dated 27 March 2023 expressed unqualified audit opinion.

This report is made solely to the members of the Group and of the Institute, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

IDRIS IBRAHIM & CO.
AF: 1047
Chartered Accountants

WAN IDRIS WAN IBRAHIM
01770/05/2024 J
Partner of the Firm

Kuala Lumpur
Dated: **26 March 2024**

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	GROUP 2023 RM	GROUP 2022 RM	INSTITUTE 2023 RM	INSTITUTE 2022 RM
NON-CURRENT ASSETS					
Property, plant and equipment	4	13,724,936	15,596,883	13,495,974	15,291,444
Investment in subsidiary	5	-	-	5,825,000	3,500,000
Investment	6	229,084	215,497	-	-
Total non-current assets		13,954,020	15,812,380	19,320,974	18,791,444
CURRENT ASSETS					
Receivables, deposits and prepayments	7	21,902,731	17,967,422	19,071,986	15,446,727
Tax recoverable		604,652	663,304	529,303	529,303
Cash and cash equivalents	8	192,566,982	182,220,734	191,633,707	181,850,319
Total current assets		215,074,365	200,851,460	211,234,996	197,826,349
TOTAL ASSETS		**229,028,385**	**216,663,840**	**230,555,970**	**216,617,793**
EQUITY					
Endowment fund		50,000,000	50,000,000	50,000,000	50,000,000
Retained surplus		154,980,622	143,229,613	155,444,574	143,882,551
Total equity		204,980,622	193,229,613	205,444,574	193,882,551
NON-CURRENT LIABILITIES					
Lease liabilities	9	2,826,139	3,975,041	2,805,018	3,913,234
Government grants	10	1,360,124	3,186,836	1,360,124	3,186,836
Employee benefits	11	601,836	-	601,836	-
Total non-current liabilities		4,788,099	7,161,877	4,766,978	7,100,070
CURRENT LIABILITIES					
Lease liabilities	9	2,594,216	1,936,854	2,553,530	1,899,164
Government grants	10	2,990,105	3,755,343	2,990,105	3,755,343
Payables and accruals	12	11,302,697	8,886,636	12,428,137	8,287,148
Contract liabilities	13	2,372,646	1,693,517	2,372,646	1,693,517
Tax payable		-	-	-	-
Total current liabilities		19,259,664	16,272,350	20,344,418	15,635,172
TOTAL LIABILITIES		24,047,763	23,434,227	25,111,396	22,735,242
TOTAL EQUITY AND LIABILITIES		**229,028,385**	**216,663,840**	**230,555,970**	**216,617,793**

The notes to the financial statements form an integral part of these financial statements.
Independent auditors' report on page 8 to 10.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	GROUP 2023 RM	GROUP 2022 RM	INSTITUTE 2023 RM	INSTITUTE 2022 RM
Revenue	14	107,688,346	102,596,371	100,058,091	96,750,384
Cost of sales		(38,952,067)	(39,250,807)	(35,938,491)	(36,801,597)
Gross income		68,736,279	63,345,564	64,119,600	59,948,787
Other income	15	8,586,795	7,806,892	8,568,446	7,788,586
Operating and administrative expenses	16	(64,830,061)	(59,300,255)	(60,403,098)	(55,718,647)
Results from operating activities		12,493,013	11,852,201	12,284,948	12,018,726
Finance expense	17	(397,060)	(256,283)	(389,150)	(247,277)
Surplus before tax		12,095,953	11,595,918	11,895,798	11,771,449
Tax expense	18	(344,944)	(143,719)	(333,775)	(141,843)
Surplus for the financial year		11,751,009	11,452,199	11,562,023	11,629,606
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the financial year		11,751,009	11,452,199	11,562,023	11,629,606

The notes to the financial statements form an integral part of these financial statements.
Independent auditors' report on page 8 to 10.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Endowment fund RM	Retained surplus RM	Total RM
GROUP			
At 1 January 2022	50,000,000	131,777,414	181,777,414
Surplus for the financial year	-	11,452,199	11,452,199
At 31 December 2022	50,000,000	143,229,613	193,229,613
Surplus for the financial year	-	11,751,009	11,751,009
At 31 December 2023	50,000,000	154,980,622	204,980,622

	Endowment fund RM	Retained surplus RM	Total RM
INSTITUTE			
At 1 January 2022	50,000,000	132,252,945	182,252,945
Surplus for the financial year	-	11,629,606	11,629,606
At 31 December 2022	50,000,000	143,882,551	193,882,551
Surplus for the financial year	-	11,562,023	11,562,023
At 31 December 2023	50,000,000	155,444,574	205,444,574

The notes to the financial statements form an integral part of these financial statements.
Independent auditors' report on page 8 to 10.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		GROUP		INSTITUTE	
	Note	2023	2022	2023	2022
		RM	RM	RM	RM
Cash flows from operating activities					
Surplus before tax		12,095,953	11,595,918	11,895,798	11,771,449
Adjustments for:					
Depreciation of property, plant and equipment		6,180,994	5,938,129	6,051,180	5,835,231
Allowance for impairment		12,396	-	12,396	-
Deposit written-off		33,700	-	33,700	-
Provision for Golden handshake		601,836	-	601,836	-
Profit/Interest income		(1,433,291)	(926,877)	(1,416,908)	(913,507)
(Gain)/Loss on disposals of property, plant and equipment		(61,786)	7	(61,786)	7
Interest on lease liabilities		397,060	256,283	389,150	247,277
Operating surplus before working capital changes		17,826,862	16,863,460	17,505,366	16,940,457
(Increase)/Decrease in:					
Receivables, deposits and prepayments		(5,341,230)	(270,043)	(3,360,636)	350,826
(Decrease)/Increase in:					
Payables and accruals		1,790,910	2,629,912	1,845,295	2,208,590
Contract liabilities		679,129	(789,157)	679,129	(789,157)
Cash generated from operations		14,955,671	18,434,172	16,669,154	18,710,716
Interest received		1,433,291	926,877	1,416,908	913,507
Interest paid		(397,060)	(256,283)	(389,150)	(247,277)
Tax refund		81,503	-	-	-
Tax paid		(367,794)	(258,920)	(333,775)	(224,901)
Net cash generated from operating activities		15,705,611	18,845,846	17,363,137	19,152,045

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	Note	GROUP		INSTITUTE	
		2023	2022	2023	2022
		RM	RM	RM	RM
Cash flows from investing activities					
Acquisition of property, plant and equipment		(2,564,780)	(2,551,467)	(2,511,443)	(2,507,360)
Proceeds from disposal of property, plant and equipment		61,786	-	61,786	-
(Withdrawal)/Additional of investment		(13,587)	286,650	-	-
Subcription of investment in subsidiary		(14,653)	-	(14,653)	-
Net cash used in investing activities		(2,531,234)	(2,264,817)	(2,464,310)	(2,507,360)
Cash flows from financing activities					
Repayment of lease liabilities		(2,561,179)	(2,019,071)	(2,523,489)	(2,005,277)
Grant received		3,655,000	6,511,214	1,330,000	6,511,214
Utilisation of grant		(3,921,950)	(6,410,395)	(3,921,950)	(6,410,395)
Net cash used in financing activities		(2,828,129)	(1,918,252)	(5,115,439)	(1,904,458)
Net increase in cash and cash equivalents		10,346,248	14,662,777	9,783,388	14,740,227
Cash and cash equivalents:					
- At beginning of the year		182,220,734	167,557,957	181,850,319	167,110,092
- At end of the year	8	192,566,982	182,220,734	191,633,707	181,850,319

The notes to the financial statements form an integral part of these financial statements.
Independent auditors’ report on page 8 to 10.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

The Institute is a company limited by guarantee, incorporated and domiciled in Malaysia.

The registered office and place of business of the Institute is located at Lot 1, Jalan 15/1, Seksyen 15, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.

The principal activities of the Institute are to contribute towards efforts in upgrading occupational safety and health through developing curriculum and training programmes, conducting applied research and development, providing advisory and consultancy services and dissemination of relevant information in occupational safety and health to various industries. There have been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiary is described in Note 5 to the financial statements.

The financial statements were authorised for issue by the Board of Directors in accordance with resolution of the Directors dated **26 March 2024**.

2. BASIS OF PREPARATION

(a) Statement of compliance and adoption of new MFRSs

The financial statements of the Group and of the Institute have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, amendments and interpretations of the MFRSs framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Institute:

Title	Effective for annual periods beginning on or after
MFRS 17 Insurance Contracts – Amendments to MFRS 17	1 January 2023
Amendments to MFRS 17 Insurance Contracts and MFRS 9 Financial Instruments – Initial application of MFRS 17 and comparative information.	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements and MFRS Practise Statement 2 – Disclosure of accounting policies	1 January 2023
Amendments to MFRS 108 Accounting Policies Changes in Accounting Estimates and Errors – Definition of accounting estimates	1 January 2023

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

2. BASIS OF PREPARATION (Continued)

(a) Statement of compliance and adoption of new MFRSs (Continued)

Title	Effective for annual periods beginning on or after
Amendments to MFRS 112 Income Taxes – Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
Amendments to MFRS 16 Leases – Lease liability in a sale and leaseback	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements – Classification of liabilities as current or non-current and non-current liabilities with covenants	1 January 2024
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates – Lack of exchangeability	1 January 2025
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – Sale or contribution of assets between an investor and its associates or joint venture	Yet to be confirmed

(b) Basis of measurement

The financial statements have been prepared on the historical cost convention, unless otherwise indicated in the summary of significant accounting policies as disclosed in the followings notes to the financial statements.

(c) Functional and presentation currency

The financial statements of the Group and of the Institute are measured using the currency of the primary economic environment in which it operates (“the functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is also the Group and the Institute’s functional currency.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

2. BASIS OF PREPARATION (Continued)

(d) Significant accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

(i) **Useful lives of property, plant and equipment**

Property, plant and equipment are depreciated on the straight-line basis over their estimated useful lives. The Director estimates that the useful lives of the property, plant and equipment to be within 3 years to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the property, plant and equipment. Therefore, the future depreciation charge could be revised.

The carrying amounts of the Group's and the Institute's property, plant and equipment at the reporting date are disclosed in Note 4.

(ii) **Expected credit losses of trade receivables and other receivables**

The Group assess the credit risk at each reporting date, whether there have been significant increases in credit risk since initial recognition on an individual basis. To determine whether there is a significant increase in credit risks, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtors.

Where there is a significant increase in credit risk, the Group determine the lifetime expected credit losses by considering the loss given default and the probability of default assigned to each counterparty customer. The financial assets are written off partially or in full when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-offs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

2. BASIS OF PREPARATION (Continued)

(d) Significant accounting estimates and judgements (Continued)

(iii) **Leases**

The lease term has been determined based on the non-cancellable period of lease together with periods covered by an option to extend or to terminate the lease. In determining whether it is reasonably certain to exercise an option to extend or an option to terminate the lease, management has considered all relevant factors and circumstances that have created the economic incentives to exercise such options. The Group also applies judgement and assumptions in determining the incremental borrowing rate ("IBR") of respective leases.

The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

(iv) **Income taxes and deferred tax**

Estimation is required to determine the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Institute recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions, where applicable, in the periods in which such determination is made.

While the Group's estimates on the realisation and settlement of temporary differences and the realisation of unutilised tax losses are based on the available information at the reporting date, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount is recognised in profit or loss in the period in which actual realisation and settlement occurs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

The consolidated financial statements include the financial statements of the Institute and its subsidiary made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(i) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of consolidation (Continued)

(ii) Changes in ownership interests in subsidiary without change of control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in the equity of the Group.

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary.

Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

b) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that the future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition of its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

When significant parts of plant and equipment are required to be replaced at intervals, the Institute depreciates them separately based on their specific useful lives. The net carrying amount of the replaced part is derecognised when the replacement occurs. All other repairs and maintenance are recognised in profit or loss as incurred.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Property, plant and equipment (Continued)

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Work-in-progress is not depreciated until the assets are ready for their intended use. Depreciation of other property, plant and equipment is provided for on the straight-line basis to write off the cost of each asset according to its estimated useful life as follows:

Audio visual (AV) equipment	5 years
Buildings	50 years
Book and video	5 years
Computers	5 years
Furniture and fittings	5 years
Motor vehicles	5 years
Office equipment	5 years
Renovations	4 years
Scientific equipment	5 years

Depreciation of an asset begins when it is ready for its intended use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. In addition, a right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The residual value, useful life and depreciation method are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Right-of-use asset

A right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

After initial recognition, right-of-use asset is stated at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Property, plant and equipment (Continued)

Right-of-use asset (Continued)

The right-of-use asset is depreciated on a straight-line basis over its lease term of two (2) until three (3) years.

c) Impairment of non-financial assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is realised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

In respect of assets other than goodwill (if any), and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group and the Institute becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Institute categorised financial instruments as follows:

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Institute changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial instruments (Continued)

(ii) Financial instrument categories and subsequent measurement (Continued)

Financial assets (Continued)

b) Fair value through other comprehensive income

(i) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective profit rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

(ii) Equity investments

This relates to an investment in equity that is not held for trading where the Group irrevocably elects to measure at fair value and subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial instruments (Continued)

(ii) Financial instrument categories and subsequent measurement (Continued)

Financial assets (Continued)

c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group and the Institute may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 3(d)(v)).

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

The Institute does not hold any financial liabilities measured at fair value through profit or loss.

b) Amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Interest expenses and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial instruments (Continued)

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and the Institute currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial instruments (Continued)

(v) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables, as well as on financial guarantee contracts (if any).

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

e) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash in hand, bank balances, deposits with licensed financial institutions and other short-term highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The statement of cash flows is prepared using the indirect method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leases

(i) Definition of a lease

At inception of a contract, the Group and the Institute assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Institute assesses whether:

a) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
b) the Group and the Institute has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
c) the Group and the Institute has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Group has the right to direct the use of the asset if either:
   - the Group and the Institute has the right to operate the asset; or
   - the Group and the Institute has designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leases (Continued)

(ii) Recognition, initial measurement and subsequent measurement

As a lessee

The Group and the Institute recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are presented in property, plant and equipment in the statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the profit rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:
(a) fixed payments, including in-substance fixed payments;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(c) amounts expected to be payable under a residual value guarantee; and
(d) the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an option renewal period of the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective profit rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

As a lessee (Continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group and the Institute apply the short-term lease and leases of low-value assets recognition exemption to its short-term leases of premise, machinery and equipment and motor vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Contract liabilities

A contract liability is stated at cost and represents the obligation to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customer.

h) Government grants

Government grants are recognised initially at their fair values in the statement of financial position as deferred income where there is reasonable assurance that the grants will be received and all conditions attached will be complied. Grants that compensate the Institute for expenses incurred are recognised as income over the periods to match the cost that the grants are intended to compensate.

i) Income tax

(i) Current tax

Income tax on profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Income tax (Continued)

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except for the deferred tax liability that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except for the deferred tax asset that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be realised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised as income or expense and included in profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Service Tax

Revenue, expenses and assets are recognised net of service tax except:
- when the service tax incurred in a purchase of asset or service is not recoverable from the authority, in which case the service tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with service tax inclusive.

The net service tax payable to the taxation authority is included as part of payables in the statements of financial position.

k) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group and the Institute recognise revenue when (or as) it transfers control over a good or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group and the Institute transfer control of a good or service at a point in time unless one of the following over time criteria is met:

(a) The customer simultaneously receives and consumes the benefits provided as the Group and the Institute perform;
(b) The Group and the Institute's performance creates or enhances an asset that the customer controls as the asset is created and enhanced; or
(c) The Group and the Institute's performance does not create an asset with an alternative use and the Group and the Institute has an enforceable right to payment for performance completed to date.

Income from events and courses is recognised upon the delivery of the events and courses. Advanced payments received from events and courses are recognised as contract liabilities in the statement of financial position.

(ii) Interest income

Interest income is recognised based on an effective yield basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Revenue and other income (Continued)

(iii) Dividend

Dividend income from investment is recognised when the right to receive dividend payment is established.

l) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses, social security contributions and other benefits are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Institute.

The Institute has ceased the employee benefit (Golden Handshake Leave) and replace by the Encashment Leave with effect from 2019 onwards on the condition of any unused balance of approved annual leave at the end of every calendar year be compensated by the Institute to the respective staff by cash.

The Institute shall be paid the unused balance of approved annual leave prior to year 2019 to the respective employees upon his/her resignation or retirement from office as provided for under the existing Golden Handshake benefits. The payment of paid leave will be accounted on an accrual basis in the current year's statement of profit or loss.

(ii) Long term employee benefits

Non-current employee benefits, recognised as accruals are for cash reward in lieu of accumulated leave for permanent employees who will retire in subsequent year with assumption that an employee who will accumulate his/her annual leave up to 15 days in a year to a maximum of 120 days during his/her retirement. The last salary rates are used to calculate the amount of the said liabilities.

(iii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Institute pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss in the period in which the related service is performed. As required by law in Malaysia, such contributions are made to the Employees Provident Fund ("EPF").

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Borrowing costs

Borrowing costs consist of interest in respect of lease liabilities which is recognised in profit or loss in the period they are incurred.

n) Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows: -

Income and the fair value hierarchy are as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3: Inputs are unobservable inputs for the asset or liability

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

GROUP	AV equipment RM	Book and video RM	Buildings RM	Computers RM	Furniture and fittings RM	Motor vehicles RM	Balance carried forward RM
Cost:							
At 1 January 2022	1,832,585	2,479,313	3,072,889	9,784,523	6,184,839	3,483,928	26,838,077
Additions	336,390	7,806	-	440,489	103,111	200,472	1,088,268
Transfer	-	-	-	-	-	-	-
Written off	(20,900)	-	-	(899,301)	(35,326)	(136,029)	(1,091,556)
At 31 December 2022/ 1 January 2023	2,148,075	2,487,119	3,072,889	9,325,711	6,252,624	3,548,371	26,834,789
Additions	295,384	19,524	-	115,994	380,529	-	811,431
Reclassification	-	-	-	-	-	-	-
Written off	(4,200)	-	-	(56,001)	(82,831)	(177,347)	(320,379)
At 31 December 2023	2,439,259	2,506,643	3,072,889	9,385,704	6,550,322	3,371,024	27,325,841
Accumulated depreciation:							
At 1 January 2022	1,663,914	2,469,332	155,099	8,709,023	5,219,477	3,169,521	21,386,366
Charged for the year	74,249	4,584	61,457	471,436	411,192	208,976	1,231,894
Written off	(20,900)	-	-	(899,301)	(35,325)	(136,028)	(1,091,554)
At 31 December 2022/ 1 January 2023	1,717,263	2,473,916	216,556	8,281,158	5,595,344	3,242,469	21,526,706
Charged for the year	151,844	5,792	61,458	394,003	378,772	126,032	1,117,901
Reclassification	-	-	-	-	-	-	-
Written off	(4,200)	-	-	(55,998)	(82,827)	(177,344)	(320,369)
At 31 December 2023	1,864,907	2,479,708	278,014	8,619,163	5,891,289	3,191,157	22,324,238
Carrying amount:							
At 1 January 2022	168,671	9,981	2,917,790	1,075,500	965,362	314,407	5,451,711
At 31 December 2022 / 1 January 2023	430,812	13,203	2,856,333	1,044,553	657,280	305,902	5,308,083
At 31 December 2023	574,352	26,935	2,794,875	766,541	659,033	179,867	5,001,603

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

GROUP	Balance brought forward RM	Office equipment RM	Renovations RM	Right-of-use assets (i) RM	Scientific equipment RM	Work in progress RM	Total RM
Cost:							
At 1 January 2022	26,838,077	3,394,543	20,439,357	8,140,708	9,299,830	61,658	68,174,173
Additions	1,088,268	186,121	1,046,780	2,786,745	253,957	97,872	5,459,743
Transfer	-	-	-	-	-	(121,531)	(121,531)
Written off	(1,091,556)	(136,078)	-	(215,224)	(234,919)	-	(1,677,777)
At 31 December 2022/ 1 January 2023	26,834,789	3,444,586	21,486,137	10,712,229	9,318,868	37,999	71,834,608
Additions	811,431	99,988	827,447	2,069,639	610,914	215,000	4,634,419
Reclassification	-	-	-	(325,359)	-	-	(325,359)
Written off	(320,379)	(35,898)	(1,269,270)	(2,161,987)	(291,688)	-	(4,079,222)
At 31 December 2023	27,325,841	3,508,676	21,044,314	10,294,522	9,638,094	252,999	72,064,446
Accumulated depreciation:							
At 1 January 2022	21,386,366	2,937,027	16,466,550	2,827,061	8,198,943	-	51,815,947
Charged for the year	1,231,894	207,155	1,909,158	2,122,824	467,098	-	5,938,129
Written off	(1,091,554)	(136,077)	-	(53,805)	(234,915)	-	(1,516,351)
At 31 December 2022/ 1 January 2023	21,526,706	3,008,105	18,375,708	4,896,080	8,431,126	-	56,237,725
Charged for the year	1,117,901	191,776	1,963,465	2,625,473	501,838	-	6,400,453
Reclassification	-	-	-	(219,459)	-	-	(219,459)
Written off	(320,369)	(35,896)	(1,269,269)	(2,161,987)	(291,688)	-	(4,079,209)
At 31 December 2023	22,324,238	3,163,985	19,069,904	5,140,107	8,641,276	-	58,339,510
Carrying amount:							
At 1 January 2022	5,451,711	457,516	3,972,807	5,313,647	1,100,887	61,658	16,358,226
At 31 December 2022 / 1 January 2023	5,308,083	436,481	3,110,429	5,816,149	887,742	37,999	15,596,883
At 31 December 2023	5,001,603	344,691	1,974,410	5,154,415	996,818	252,999	13,724,936

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

INSTITUTE	AV equipment RM	Book and video RM	Buildings RM	Computers RM	Furniture and fittings RM	Motor vehicles RM	Balance carried forward RM
Cost:							
At 1 January 2022	1,791,336	2,479,313	3,072,889	9,520,339	6,033,213	3,483,928	26,381,018
Additions	329,434	7,806	-	424,041	85,107	200,472	1,046,860
Transfer	-	-	-	-	-	-	-
Written off	(20,900)	-	-	(899,301)	(35,326)	(136,029)	(1,091,556)
At 31 December 2022/ 1 January 2023	2,099,870	2,487,119	3,072,889	9,045,079	6,082,994	3,548,371	26,336,322
Additions	289,238	19,524	-	103,401	367,885	-	780,048
Reclassification	-	-	-	-	-	-	-
Written off	(4,200)	-	-	(56,001)	(82,831)	(177,347)	(320,379)
At 31 December 2023	2,384,908	2,506,643	3,072,889	9,092,479	6,368,048	3,371,024	26,795,991
Accumulated depreciation:							
At 1 January 2022	1,638,717	2,469,332	155,099	8,529,923	5,124,889	3,169,521	21,087,481
Charged for the year	68,587	4,584	61,457	443,682	390,164	208,976	1,177,450
Written off	(20,900)	-	-	(899,301)	(35,325)	(136,028)	(1,091,554)
At 31 December 2022/ 1 January 2023	1,686,404	2,473,916	216,556	8,074,304	5,479,728	3,242,469	21,173,377
Charged for the year	144,838	5,792	61,458	365,218	355,223	126,032	1,058,561
Reclassification	-	-	-	-	-	-	-
Written off	(4,200)	-	-	(55,998)	(82,827)	(177,344)	(320,369)
At 31 December 2023	1,827,042	2,479,708	278,014	8,383,524	5,752,124	3,191,157	21,911,569
Carrying amount:							
At 1 January 2022	152,619	9,981	2,917,790	990,416	908,324	314,407	5,293,537
At 31 December 2022 / 1 January 2023	413,466	13,203	2,856,333	970,775	603,266	305,902	5,162,945
At 31 December 2023	557,866	26,935	2,794,875	708,955	615,924	179,867	4,884,422

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

INSTITUTE	Balance brought forward RM	Office equipment RM	Renovations RM	Right-of-use assets (i) RM	Scientific equipment RM	Work in progress RM	Total RM
Cost:							
At 1 January 2022	26,381,018	3,361,780	20,253,839	8,140,708	9,299,830	61,658	67,498,833
Additions	1,046,860	183,422	1,046,780	2,673,454	253,957	97,872	5,302,345
Transfer	-	-	-	-	-	(121,531)	(121,531)
Written off	(1,091,556)	(136,078)	-	(215,224)	(234,919)	-	(1,677,777)
At 31 December 2022/ 1 January 2023	26,336,322	3,409,124	21,300,619	10,598,938	9,318,868	37,999	71,001,870
Additions	780,048	90,714	814,767	2,069,639	610,914	215,000	4,581,082
Reclassification	-	-	-	(325,359)	-	-	(325,359)
Written off	(320,379)	(35,898)	(1,269,270)	(2,161,987)	(291,688)	-	(4,079,222)
At 31 December 2023	26,795,991	3,463,940	20,846,116	10,181,231	9,638,094	252,999	71,178,371
Accumulated depreciation:							
At 1 January 2022	21,087,481	2,912,236	16,365,825	2,827,061	8,198,943	-	51,391,546
Charged for the year	1,177,450	204,853	1,881,888	2,103,942	467,098	-	5,835,231
Written off	(1,091,554)	(136,077)	-	(53,805)	(234,915)	-	(1,516,351)
At 31 December 2022/ 1 January 2023	21,173,377	2,981,012	18,247,713	4,877,198	8,431,126	-	55,710,426
Charged for the year	1,058,561	187,789	1,934,742	2,587,709	501,838	-	6,270,639
Reclassification	-	-	-	(219,459)	-	-	(219,459)
Written off	(320,369)	(35,896)	(1,269,269)	(2,161,987)	(291,688)	-	(4,079,209)
At 31 December 2023	21,911,569	3,132,905	18,913,186	5,083,461	8,641,276	-	57,682,397
Carrying amount:							
At 1 January 2022	5,293,537	449,544	3,888,014	5,313,647	1,100,887	61,658	16,107,287
At 31 December 2022 / 1 January 2023	5,162,945	428,112	3,052,906	5,721,740	887,742	37,999	15,291,444
At 31 December 2023	4,884,422	331,035	1,932,930	5,097,770	996,818	252,999	13,495,974

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

(i) The detail of right-of-use assets ("ROU") as follows:

GROUP	Buildings RM	Motor Vehicles RM	Total RM
Cost:			
At 1 January 2022	8,140,708	-	8,140,708
Additions	1,198,342	1,588,403	2,786,745
Derecognition	(215,224)	-	(215,224)
At 31 December 2022 / 1 January 2023	9,123,826	1,588,403	10,712,229
Additions	2,069,639	-	2,069,639
Reclassification	(325,359)	-	(325,359)
Derecognition	(2,161,987)	-	(2,161,987)
At 31 December 2023	8,706,119	1,588,403	10,294,522
Accumulated depreciation:			
At 1 January 2022	2,827,061	-	2,827,061
Additions	1,866,653	256,171	2,122,824
Derecognition	(53,805)	-	(53,805)
At 31 December 2022 / 1 January 2023	4,639,909	256,171	4,896,080
Charged for the year	2,096,004	529,469	2,625,473
Reclassification	(219,459)	-	(219,459)
Derecognition	(2,161,987)	-	(2,161,987)
At 31 December 2023	4,354,467	785,640	5,140,107
Carrying amount:			
At 1 January 2022	5,313,647	-	5,313,647
At 31 December 2022 / 1 January 2023	4,483,917	1,332,232	5,816,149
At 31 December 2023	4,351,652	802,763	5,154,415

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

(i) The detail of right-of-use assets ("ROU") as follows: (Continued)

INSTITUTE	Buildings RM	Motor Vehicles RM	Total RM
Cost:			
At 1 January 2022	8,140,708	-	8,140,708
Additions	1,198,342	1,475,112	2,673,454
Derecognition	(215,224)	-	(215,224)
At 31 December 2022 / 1 January 2023	9,123,826	1,475,112	10,598,938
Additions	2,069,639	-	2,069,639
Reclassification	(325,359)	-	(325,359)
Derecognition	(2,161,987)	-	(2,161,987)
At 31 December 2023	8,706,119	1,475,112	10,181,231
Accumulated depreciation:			
At 1 January 2022	2,827,061	-	2,827,061
Charged for the year	1,866,653	237,289	2,103,942
Derecognition	(53,805)	-	(53,805)
At 31 December 2022 / 1 January 2023	4,639,909	237,289	4,877,198
Charged for the year	2,096,004	491,705	2,587,709
Reclassification	(219,459)	-	(219,459)
Derecognition	(2,161,987)	-	(2,161,987)
At 31 December 2023	4,354,467	728,994	5,083,461
Carrying amount:			
At 1 January 2022	5,313,647	-	5,313,647
At 31 December 2022 / 1 January 2023	4,483,917	1,237,823	5,721,740
At 31 December 2023	4,351,652	746,118	5,097,770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

5. INVESTMENT IN SUBSIDIARY

	INSTITUTE	
	2023	2022
	RM	RM
Unquoted share, at cost		
At 1 January	3,500,000	3,500,000
Additions	2,325,000	-
At 31 December	5,825,000	3,500,000

Details of the subsidiary incorporated in Malaysia are as follows:

Name of subsidiary	Effective equity interest		Principal activities
	2023	2022	
	%	%	
NIOSH Certification Sdn. Bhd.	100	100	Providing comprehensive range of Management System Certification and related services including but not limited to registration, auditing, checking, inspection, training and product testing that conform to Management System Standard, code of practice, guidelines, laws and other related thereto.

<u>Increase in cost of investment</u>

During the financial year, the Institute has acquired the additional share capital issued by the following subsidiary for cash consideration at RM1.00 each:

a) NIOSH Certification Sdn. Bhd. has increased its issued and paid-up capital from RM3,500,000 to RM5,825,000 by way of issuance of 2,325,000 ordinary shares of RM1.00 each.

6. INVESTMENT

	GROUP	
	2023	2022
	RM	RM
Fair value through other comprehensive income:		
Placements of funds in		
- Institutional investment company	229,084	215,497

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

6. INVESTMENT (Continued)

The Group placed funds in institutional investment accounts maintained with a subsidiary of Malaysian trustee company, wholly-owned by the Government of Malaysia.

7. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	RM	RM	RM	RM
Trade:				
Trade receivables	15,553,071	14,617,461	12,893,070	12,116,132
Less: Allowance for expected credit losses*	(44,345)	(31,949)	(44,345)	(31,949)
	15,508,726	14,585,512	12,848,725	12,084,183
Non-trade:				
Other receivables	544,874	392,297	523,501	349,974
Deposits	1,127,700	694,669	1,065,283	660,872
Prepayments	4,721,431	2,294,944	4,388,204	2,100,135
Amount due from subsidiary	-	-	246,273	251,563
	6,394,005	3,381,910	6,223,261	3,362,544
	21,902,731	17,967,422	19,071,986	15,446,727

*Allowance for expected credit losses:

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	RM	RM	RM	RM
At 1 January	31,949	31,949	31,949	31,949
Allowance for impairment	12,396	-	12,396	-
Reversal of impairment losses	-	-	-	-
Written-off	-	-	-	-
At 31 December	44,345	31,949	44,345	31,949

The Group's and the Institute's normal trade credit terms range from cash terms to 30 (2022: cash terms to 30) days. Other credit terms are assessed and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

7. RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Included in trade receivables of the Institute is a trade related amount of RM11,625 (2022: RM310,436) which due from subsidiary company.

Also included in trade receivables of the Group of RM7,074,093 (2022: RM7,391,492) and of the Institute of RM8,962,501 (2022: RM6,982,747) respectively owing by related parties which are also agencies under the Ministry of Human Resources.

The amount due from subsidiary is unsecured, interest free and payable on demand.

8. CASH AND CASH EQUIVALENTS

	GROUP		INSTITUTE	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash in hand	45,884	43,000	40,000	39,000
Bank balances	13,373,990	7,830,821	12,557,233	7,572,244
Placements with licensed financial institutions	39,350,057	41,185,224	39,239,423	41,077,386
Placements of funds in institutional trust account	139,797,051	133,161,689	139,797,051	133,161,689
	192,566,982	182,220,734	191,633,707	181,850,319

Placements with licensed financial institutions:

a) The profit rates for the fixed deposits placed with licensed financial institutions range from 2.80% to 4.20% (2022: 2.25% to 4.20%) for the Group and the Institute per annum.

Include in placements with licensed financial institutions of the Institute with an amount of RM6,159 (2022: RM5,882) is pledged for facilities granted to the Institute from Minister of Health.

b) Placements of funds in institutional trust accounts

The Institute placed funds in institutional trust accounts maintained with a Malaysian trustee company wholly-owned by the Government of Malaysia. The trustee acts as a fiduciary agent on behalf of the Institute for the purpose of administration and management of institute funds (under Syariah contract) specifically cash which will be invested for the benefit of the institute as established in the Trust Deed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

9. LEASE LIABILITIES

	GROUP		INSTITUTE	
	2023 RM	2022 RM	2023 RM	2022 RM
Lease liabilities included in the statement of financial position				
At 1 January	5,911,895	5,305,640	5,812,398	5,305,640
Additions during the financial year	2,069,639	2,786,745	2,069,639	2,673,454
	7,981,534	8,092,385	7,882,037	7,979,094
Less:				
Payment of lease liabilities	(2,561,179)	(2,019,071)	(2,523,489)	(2,005,277)
Adjustment for rent concession	-	(161,419)	-	(161,419)
At 31 December	5,420,355	5,911,895	5,358,548	5,812,398
Current	2,594,216	1,936,854	2,553,530	1,899,164
Non-current	2,826,139	3,975,041	2,805,018	3,913,234
	5,420,355	5,911,895	5,358,548	5,812,398
Maturity analysis - contractual undiscounted cash flows				
Less than one year	2,637,353	2,184,446	2,591,753	2,138,846
Between one and five years	2,858,358	4,369,550	2,835,558	4,301,150
After five years	423,600	-	423,600	-
Total undiscounted lease liabilities at 31 December	5,919,311	6,553,996	5,850,911	6,439,996
Amount recognised in profit or loss				
Expenses relating to lease of low-value asset, excluding term leases of low-value asstes	1,136,356	983,712	1,136,356	983,712
Amount disclosed in the statement of cash flows				
Interest on lease liabilities	397,060	256,283	389,150	247,277
Payment of lease liabilities	2,561,179	2,019,071	2,523,489	2,005,277

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

10. GOVERNMENT GRANTS

	GROUP AND INSTITUTE	
	2023	2022
	RM	RM
At 1 January	6,942,179	6,841,360
Received during the financial year	1,330,000	6,511,214
Recognised as revenue during the financial year	(3,921,950)	(6,410,395)
At 31 December	4,350,229	6,942,179
Current	2,990,105	3,755,343
Non-current	1,360,124	3,186,836
	4,350,229	6,942,179

The grant comprised of:

	GROUP AND INSTITUTE	
	2023	2022
	RM	RM
Non-current:		
Grant from ''Rancangan Malaysia Ke-10'' (RMK10)	244,622	1,395,904
Grant from RMK11	311,737	384,235
Grant from RMK12	803,765	1,406,697
	1,360,124	3,186,836
Current:		
Grant from RMK-WISME	118,650	-
Grant from Malaysian Indian Transformation Unit (MITRA)	2,871,455	3,755,343
	2,990,105	3,755,343
	4,350,229	6,942,179

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

11. EMPLOYEE BENEFITS

	GROUP AND INSTITUTE	
	2023	2022
	RM	RM
At 1 January	-	-
Provision for Golden Handshake	601,836	-
At 31 December	601,836	-
Current	-	-
Non-current	601,836	-
	601,836	-

12. PAYABLES AND ACCRUALS

	GROUP		INSTITUTE	
	2023	2022	2023	2022
	RM	RM	RM	RM
Trade:				
Trade payables	3,154,843	3,018,419	2,840,150	2,775,479
Non-trade:				
Accruals	6,617,429	4,543,480	6,414,534	4,426,893
SST payables	1,378,658	1,273,890	1,151,653	1,072,976
Prepayment	129,967	39,047	-	-
Deposits received	21,800	11,800	21,800	11,800
Amount due to subsidiary	-	-	2,000,000	-
	8,147,854	5,868,217	9,587,987	5,511,669
	11,302,697	8,886,636	12,428,137	8,287,148

The normal trade credit term granted to the Group and the Institute is 30 (2022: 30) days.

Included in trade payables of the Institute is a trade related amount of RM20,000 (2022: RM13,730) which due from subsidiary company.

The amount due to subsidiary is unsecured, interest free and payable on demand.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

13. CONTRACT LIABILITIES

	GROUP AND INSTITUTE	
	2023 RM	2022 RM
Courses fee	1,661,038	828,296
Examinations fee	367,116	520,369
Memberships	27,560	28,100
	2,055,714	1,376,765
Others	316,932	316,752
	2,372,646	1,693,517

Contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognised when the performance obligation has been satisfied.

Detail movement of contract liabilities recognised as revenue is as follows:

	GROUP AND INSTITUTE	
	2023 RM	2022 RM
At 1 January	1,376,765	2,157,159
Received during the financial year	22,160,829	21,810,426
Recognised as revenue during the financial year	(21,481,880)	(22,590,820)
At 31 December	2,055,714	1,376,765

14. REVENUE

i. Revenue from contracts with customers are comprise:

	GROUP		INSTITUTE	
	2023 RM	2022 RM	2023 RM	2022 RM
Courses	77,772,692	72,985,000	76,044,082	72,242,116
Consultancy	2,926,297	1,735,427	2,926,297	1,735,427
Examination, assessment and certification	25,610,707	25,082,852	19,709,062	19,979,749
Hostel and rental facilities	906,112	716,129	906,112	716,129
Information dissemination	472,538	2,076,963	472,538	2,076,963
	107,688,346	102,596,371	100,058,091	96,750,384

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

14. REVENUE (Continued)

ii. Timing of revenue recognition:

	GROUP		INSTITUTE	
	2023 RM	2022 RM	2023 RM	2022 RM
- at a point in time	107,688,346	102,596,371	100,058,091	96,750,384

15. OTHER INCOME

	GROUP		INSTITUTE	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/Interest income	1,435,257	926,877	1,416,908	913,507
Membership fee income	58,794	80,100	58,794	80,100
Dividend from trust account	6,913,510	6,585,366	6,913,510	6,585,366
Other miscellaneous income	117,448	214,549	117,448	209,613
Gain on disposals of property, plant and equipment	61,786	-	61,786	-
	8,586,795	7,806,892	8,568,446	7,788,586

16. OPERATING AND ADMINISTRATIVE EXPENSES

Included in operating and administrative expenses are:

	GROUP		INSTITUTE	
	2023 RM	2022 RM	2023 RM	2022 RM
Audit fee	50,200	179,100	43,000	60,000
Depreciation of:				
- property, plant and equipment	3,774,980	3,815,305	3,682,930	3,731,289
- right-of-use assets				
- current	2,625,473	2,122,824	2,587,709	2,103,942
- overprovision	-	-	(219,459)	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

16. OPERATING AND ADMINISTRATIVE EXPENSES (Continued)

Included in operating and administrative expenses are: (Continued)

	GROUP		INSTITUTE	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors' remunerations:				
- allowances	462,829	668,198	416,629	630,398
- remunerations	603,930	580,057	603,930	580,057
Rental of equipment	1,142,805	995,757	1,056,161	918,802
Rental of premises	228,232	523,002	202,932	508,202
Rental of motor vehicles	399,918	541,494	330,452	509,213
Employee benefits expense (Note 19)	41,604,947	35,473,476	38,047,876	32,552,606

17. FINANCE EXPENSE

	GROUP		INSTITUTE	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest on lease liabilities	397,060	256,283	389,150	247,277

18. TAX EXPENSE

	GROUP		INSTITUTE	
	2023 RM	2022 RM	2023 RM	2022 RM
Tax expense for the year:				
Malaysian income tax	332,225	221,080	321,080	221,080
Under/(Over) provision in prior years	12,719	(77,361)	12,695	(79,237)
	344,944	143,719	333,775	141,843

Domestic income tax is calculated at the Malaysian statutory rate of 24% (2022: 24%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

18. TAX EXPENSE (Continued)

A reconciliation of tax expense applicable to profit before tax at the statutory income tax rate to tax expense at the effective income tax rate of the Group and of the Institute is as follows:

	GROUP		INSTITUTE	
	2023 RM	2022 RM	2023 RM	2022 RM
Surplus before tax	12,095,953	11,595,918	11,895,798	11,771,449
Taxation at Malaysian statutory tax	2,903,029	2,783,021	2,854,992	2,825,148
Other income not subject to tax	(407,453)	(1,802,938)	(403,521)	(1,799,729)
Expenses not deductible for tax purposes	104,081	1,074,690	59,571	1,038,131
Other income assessed separately	330,109	-	330,109	-
Deferred tax not provided	-	8,777	-	-
Utilisation of deferred tax assets	(2,597,541)	(1,842,470)	(2,520,071)	(1,842,470)
Under/(Over) provision in prior years	12,719	(77,361)	12,695	(79,237)
	344,944	143,719	333,775	141,843

The Institute has unutilised capital allowances and unabsorbed business losses of approximately Nil (2022: RM2,559,930) and Nil (2022: RM7,368,141) respectively to set off against future taxable surplus subject to no substantial change in shareholdings under sections 44(5A) and 5(B) of the Income Tax Act, 1967 and guidelines issued by the tax authority.

The Ministry of Finance via the Budget 2022 announced that with effect from year of assessment 2019, the carry forward of unutilised business losses can now be carried forward for a maximum period of ten (10) consecutive years of assessment effective from year assessment 2019.

The unutilised tax losses will expire in accordance with section 44(5F) of the Income Tax Act 1967 approximately are as follows:

	INSTITUTE	
	2023 RM	2022 RM
Year of assessment:		
2030	-	6,456,808
2031	-	911,333
	-	7,368,141

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

18. TAX EXPENSE (Continued)

The following deferred tax has not been provided in the financial statements arising from:

	GROUP		INSTITUTE	
	2023 RM	2022 RM	2023 RM	2022 RM
Property, plant and equipment	(1,453,467)	(2,209,500)	(1,453,467)	(2,204,300)
Others	(890,332)	-	(890,332)	-
Unabsorbed tax losses	-	(1,641,880)	-	(1,768,300)
	(2,343,799)	(3,851,380)	(2,343,799)	(3,972,600)

19. EMPLOYEE BENEFITS EXPENSE

	GROUP		INSTITUTE	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, bonus and allowances	33,649,945	27,978,539	30,731,964	25,614,627
Defined contribution plan (EPF)	4,003,450	3,716,783	3,605,872	3,394,076
Employment Insurance System (EIS)	39,849	35,548	36,108	32,635
Social Security Organisation (SOCSO)	348,265	311,951	314,932	285,957
Other employee benefits	3,563,438	3,430,655	3,359,000	3,225,311
	41,604,947	35,473,476	38,047,876	32,552,606

The numbers of employee (including executive Directors) of the Group and of the Institute at the end of the financial year were 420 (2022: 426) and 374 (2022: 390).

Included in employee costs is the key management personnel compensation as shown in Note 20(a).

20. SIGNIFICANT RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Institute if the Institute has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Institute and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

20. SIGNIFICANT RELATED PARTY DISCLOSURES (Continued)

Related parties also include key management personnel defined are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Institute, directly or indirectly.

The Directors are of the opinion that the related party transactions have been entered into the normal course of business and are based on normal trade terms. All the amounts outstanding are unsecured and are expected to be settled with cash.

The Institute is a company limited by guarantee which is being administered by the Board members, which is 2/3 of Board members will be appointed by Minister Responsible for the Institute which is controlled by Government of Malaysia. Entities that are directly controlled by the Government of Malaysia are collectively referred to as government-related entities to the Institute. The Government of Malaysia and bodies controlled or jointly controlled by the Government of Malaysia are related parties of the Institute.

The Institute enters into transactions with many of these bodies, which include but are not limited to purchasing of goods, including use of public utilities and amenities, and the placing of deposits.

All the transactions entered into by the Institute with the government-related entities are conducted in the ordinary course of the Institute's business on negotiated terms or terms comparable to those with the other entities that are not government-related.

There are no other significant transactions with the Directors and the key management personnel of the Institute other than the remuneration package in accordance with the terms and conditions of the appointment of the Directors and key management personnel during the financial year other than as follows:

a) Key management's remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Institute either directly or indirectly. The remunerations of the key management personnel for the financial year are as follows:

	GROUP		INSTITUTE	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, bonus and allowances	1,302,847	1,151,292	866,520	723,370
Defined contribution plan (EPF)	218,875	186,972	146,884	120,918
Employment Insurance System (EIS)	476	412	238	206
Social Security Organisation (SOCSO)	4,160	3,596	2,080	1,798
Other employee benefits	12,084	11,521	6,759	6,521
	1,538,442	1,353,793	1,022,481	852,813

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

20. SIGNIFICANT RELATED PARTY DISCLOSURES (Continued)

b) Related party transactions are disclosed below:

	2023 RM	2022 RM
Revenue		
Revenue rendered to subsidiary company	78,534	43,412
Cost of sales		
Service charged by holding company	107,653	187,173

These transactions are transacted in the normal course of business under normal commercial terms.

The outstanding balances and the terms of settlement are disclosed in Notes 7 and 12 to the financial statements, respectively.

21. FINANCIAL INSTRUMENTS

21.1. Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(i) Amortised cost;
(ii) Fair value through other comprehensive income ("FVOCI");

GROUP	Carrying amount RM	Amortised cost RM	FVOCI RM
2023			
Financial assets			
Receivables and deposits	17,181,300	17,181,300	-
Investments	229,084		229,084
Cash and cash equivalents	192,566,982	192,566,982	-
	209,977,366	209,748,282	229,084
Financial liabilities			
Payables and accruals	11,172,730	11,172,730	-
Contract liabilities	2,372,646	2,372,646	-
	13,545,376	13,545,376	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

21. FINANCIAL INSTRUMENTS (Continued)

21.1. Categories of financial instruments (Continued)

GROUP	Carrying amount RM	Amortised cost RM	FVOCI RM
2022			
Financial assets			
Receivables and deposits	15,672,478	15,672,478	-
Investments	215,497	-	215,497
Cash and cash equivalents	182,220,734	182,220,734	-
	198,108,709	197,893,212	215,497
Financial liabilities			
Payables and accruals	8,847,589	8,847,589	-
Contract liabilities	1,693,517	1,693,517	-
	10,541,106	10,541,106	-

INSTITUTE	Carrying amount RM	Amortised cost RM	FVOCI RM
2023			
Financial assets			
Receivables and deposits	14,683,782	14,683,782	-
Cash and cash equivalents	191,633,707	191,633,707	-
	206,317,489	206,317,489	-
Financial liabilities			
Payables and accruals	12,428,137	12,428,137	-
Contract liabilities	2,372,646	2,372,646	-
	14,800,783	14,800,783	-
2022			
Financial assets			
Receivables and deposits	13,346,592	13,346,592	-
Cash and cash equivalents	181,850,319	181,850,319	-
	195,196,911	195,196,911	-
Financial liabilities			
Payables and accruals	8,287,148	8,287,148	-
Contract liabilities	1,693,517	1,693,517	-
	9,980,665	9,980,665	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

21. FINANCIAL INSTRUMENTS (Continued)

21.2. Financial risk management

The Group and the Institute is exposed to a variety of financial risks arising from its operations. The key financial risks included credit risk, liquidity risk and interest rate risk. The Group and the Institute operates within clearly defined guidelines that are approved by the Board and the Group's and the Institute's policy is not engage in speculative activities.

21.3. Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and the Institute. The Institute's exposure to credit risk arises principally from its trade receivables, trade related amount due from/to its subsisiary company and advances to subsidiary company.

Trade receivables

The Group and the Institute extends credit terms to the customers that range between 30 to 60 days. Credit term extended to its customers is based on careful evaluation on the customers' financial condition and payment history. Receivables are monitored on an ongoing basis via Group's and Institute's management reporting procedures and action will be taken for long outstanding debts.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount in the statement of financial position.

		Allowance for impairment losses		
	Net Balance	"ECL (Individually assessed)"	"ECL (Collectively assessed)"	Carrying amount
	RM	RM	RM	RM
GROUP				
2023				
Neither past due	5,874,177	-	-	5,874,177
Past due 0-30 days	1,952,899	-	-	1,952,899
Past due 31-60 days	1,089,167	-	-	1,089,167
Past due more than 61 days	6,592,483	44,345	-	6,636,828
	15,508,726	44,345	-	15,553,071

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

21. FINANCIAL INSTRUMENTS (Continued)

21.3. Credit risk (Continued)

Trade receivables

		Allowance for impairment losses		
	Net Balance	"ECL (Individually assessed)"	"ECL (Collectively assessed)"	Carrying amount
	RM	RM	RM	RM
GROUP				
2022				
Neither past due	4,096,907	-	-	4,096,907
Past due 0-30 days	2,504,988	-	-	2,504,988
Past due 31-60 days	1,154,267	-	-	1,154,267
Past due more than 61 days	6,829,350	31,949	-	6,861,299
	14,585,512	31,949	-	14,617,461
INSTITUTE				
2023				
Neither past due	4,849,587	-	-	4,849,587
Past due 0-30 days	1,379,940	-	-	1,379,940
Past due 31-60 days	658,370	-	-	658,370
Past due more than 61 days	5,960,828	44,345	-	6,005,173
	12,848,725	44,345	-	12,893,070
2022				
Neither past due	3,321,426			3,321,426
Past due 0-30 days	1,793,028	-	-	1,793,028
Past due 31-60 days	602,115		-	602,115
Past due more than 61 days	6,367,614	31,949	-	6,399,563
	12,084,183	31,949	-	12,116,132

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group and the Institute. None of the Group's and Institute's trade receivables that are neither pass due nor impaired has been renegotiated during the financial year.

The Group has trade receivables amounting to RM9,634,549 (2022: RM10,488,605) and the Institute has trade receivables amounting to RM7,999,138 (2022: RM8,762,757) that are past due but not impaired as at end of the reporting period as the management is of the view that these debts will be collected in due course.

The Group has significant concentration of credit risk in the form of outstanding balance due to from 3 customers (2022: 3 customers) representing 69% (2022: 50%) of total trade receivables.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

21. FINANCIAL INSTRUMENTS (Continued)

21.3. Credit risk (Continued)

Trade receivables

Maximum exposure to credit risk

In managing the credit risk of the trade receivables, the Group and the Institute manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group and the Institute measures the allowance for the expected credit losses of trade receivables at an amount equal to lifetime ECL using a simplified approach. The expected credit losses on trade receivables are estimated based past default experience and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables such as liquidation and bankruptcy. Forward looking information such as country risk assessment has been incorporated in determining the expected credit losses.

Trade receivables are usually collectible and the Group and the Institute does not have much historical bad debts written off or allowance for expected credit losses on trade receivables. There are circumstances where the settlement of trade receivables will take longer than the credits terms given to the customers. The delay in settlement is mainly due to administrative matter. No expected credit losses is provided during the financial year based on the above assessment as the impact to the Group's and the Institute's financial statements is not material.

Intercompany balances

The Institute has trade related amount due from/due to its subsidiary company and also advance to its subsidiary company. The Institute monitors the results of the subsidiary company regularly.

The maximum exposure to credit risk is represented by the carrying amount in the settlement of financial position.

As at the end of the reporting period, there was no indication that the amount due from/to its subsidiary company are not recoverable. The Institute does not specifically monitor the ageing of these advances.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

21. FINANCIAL INSTRUMENTS (Continued)

21.3. Credit risk (Continued)

Liquidity risk

Liquidity risk is the risk that the Group and the Institute will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Institute exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Institute objective is to maintain a continuity of funding.

The maturity profile of the Group's and the Institute liabilities at the reporting date based on contractual undiscounted repayment obligations are all due on demand or within one-to-one year.

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

In respect of financial instruments classified under current assets and current liabilities, the carrying amounts approximate fair value due to relatively short term of these financial instruments.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy

GROUP	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	" Total fair value " RM	Carrying amount RM
31.12.2023						
Investment						
Syariah trust fund	229,084	-	-	229,084	229,084	229,084
31.12.2022						
Investment						
Syariah trust fund	215,497	-	-	215,497	215,497	215,497

Level 1 fair value

Level 1 fair value of the investments is derived by reference to their market value at the end of reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

Sensitivity analysis of investment funds

As the the Group neither have the intention, nor historical trend of active trading in these financial instruments, the Directors are of the opinion that the Group are not subject to significant exposure to price risk and accordingly, no sensitivity analysis is being presented at the end of each reporting period.

There is no transfer between levels in the hierarchy during the financial year.

23. CAPITAL MANAGEMENT

The Group's and the Institute's objective when managing capital is to maintain a strong capital base, so as to sustain their training activities. There were no changes in the Group's and the Institute's approach to capital management during the financial year.

24. CAPITAL COMMITMENT

	GROUP AND INSTITUTE	
	2023	2022
	RM	RM
Capital expenditure in respect of purchase of property, plant and equipment		
Contract but not provided	252,999	37,999

25. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform to current year's presentation.

NIOSH CERTIFICATION SDN. BHD.
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

CONTENTS

CORPORATE INFORMATION

Directors

- Tuan Haji Ayop Bin Salleh
- Dr. Sharudin Bin Shari
- Datuk Dr. Norhayati Binti Rusli
- Puan Zamzarina Binti Abu Bakar
- Tuan Haji Nik Hasbi Fathi Bin Nik Hussain Fathi
- Datuk Hajah Rosmawati Binti Haji Lasuki
- Encik Thomas Balan Bang

Secretaries

- Nurul Nadiah Binti Mohd Abd Rasid (MIA 44423)
- Nurul Zhorifah Binti Jaffridin (MIA 51817)

Registered Office and Place of Business

7th Floor, NIOSH Tower
Lot 1, Jalan 15/1, Section 15
43650 Bandar Baru Bangi
Selangor Darul Ehsan

Banker

- Maybank Islamic Berhad
- CIMB Islamic Bank Berhad
- Bank Kerjasama Rakyat Malaysia Berhad

Auditors

Idris Ibrahim & Co. (AF 1047)
Chartered Accountants (Malaysia)

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company is as to provide a comprehensive range of Management Systems Certification services and related services including but not limited to registration, auditing, checking, inspection, training and product testing that confirm to Management System Standards, code of practice, guidelines, laws and other related thereto. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	RM
Profit for the financial year	188,986

DIVIDENDS

No dividends have been paid or declared since the end of the previous financial year. The Directors do not recommend that a dividend to be paid in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to and from reserves and provisions during the financial year except as disclosed in the financial statements.

SHARES AND DEBENTURES

During the financial year, the Company has issued the following ordinary shares:

Date of issue	No. of shares issued	Issue price RM per share	Purpose
12.05.2023	325,000	1.00	Capital
05.12.2023	2,000,000	1.00	Capital

The new ordinary shares issued during the financial year ranked "pari passu" in respects with the existing ordinary shares of the Company.

The Company did not issue any debentures during the financial year.

DIRECTORS' REPORT
(CONT'D)

DIRECTORS

The Directors who held office since the end of the previous financial year until the date of this report are as follows:

- Tuan Haji Ayop Bin Salleh
- Dr. Sharudin Bin Shari
- Datuk Hajah Rosmawati Binti Haji Lasuki
- Tuan Haji Nik Hasbi Fathi Bin Nik Hussain Fathi (Reappointed on 02/05/2023)
- Datuk Dr. Norhayati Binti Rusli (Appointed on 02/05/2023)
- Puan Zamzarina Binti Abu Bakar (Appointed on 02/05/2023)
- Encik Thomas Balan Bang (Reappointed on 02/05/2023)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

DIRECTORS' INTERESTS

None of the Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATIONS

The amounts of the remunerations of the Directors or past Directors of the Company comprising remunerations received/ receivable from the Company during the financial year are as follows:

	2023 RM
Allowances	46,200

None of the Directors or past Directors of the Company have received any other benefits otherwise than in cash from the Company during the financial year.

No payment has been paid to or payable to any third party in respect of the services provided to the Company by the Directors or past Directors of the Company during the financial year.

DIRECTORS' REPORT
(CONT'D)

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the Director, officer or auditor of the Company.

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were prepared, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of impairment and the making of allowance for impairment, and have satisfied themselves that all known impairment have been written off and that adequate allowance had been made for impairment; and

(b) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Company have been written down to an amount which they might be expected so to realise.

As of the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amount written off for impairment or the amount of the allowance for impairment inadequate to any substantial extent in the financial statements of the Company; or

(b) which would render the values attributed to current assets in the financial statements of the Company misleading; or

(c) which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or in the financial statements which would render any amount stated in the financial statements of the Company misleading.

DIRECTORS' REPORT
(CONT'D)

OTHER STATUTORY INFORMATION (Continued)

As of the date of this report, there does not exist:

(a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person, or

(b) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors:

(a) the results of the operations of the Company for the financial year ended 31 December 2023 were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Company for the financial year in which this report is made.

HOLDING COMPANY

The Directors regard National Institute of Occupational Safety and Health (NIOSH) as the holding company, an institute incorporated in Malaysia.

AUDITORS' REMUNERATIONS

Total amounts paid to or receivable by the auditors as remunerations for their services as auditors are as follows:

	RM
Statutory audit	7,200

DIRECTORS' REPORT
(CONT'D)

AUDITORS

The auditors, MESSRS IDRIS IBRAHIM & CO., have indicated their willingness to continue in the office.

Signed on behalf of the Board in accordance with the resolution of the Directors:

AYOP BIN SALLEH

SHARUDIN BIN SHARI

Selangor
Dated: **26 March 2024**

STATEMENT BY DIRECTORS
SECTION 251(2) OF THE COMPANIES ACT 2016

The Directors of NIOSH CERTIFICATION SDN. BHD., state that, in their opinion, the financial statements of the Company set out on pages 72 to 106 are drawn up in accordance with the Malaysian Financial Reporting Standards; International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

AYOP BIN SALLEH

SHARUDIN BIN SHARI

Selangor
Dated: **26 March 2024**

STATUTORY DECLARATION
SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, AYOP BIN SALLEH, being the Director primarily responsible for the financial management of NIOSH CERTIFICATION SDN. BHD. do solemnly and sincerely declare that the financial statements as set out on pages 72 to 106 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above-named AYOP BIN SALLEH at Bangi in the state of Selangor on 26 March 2024 }

AYOP BIN SALLEH

Before me,

PESURUHJAYA SUMPAH
NO. B 614
1/1/2024 - 31/12/2026
MALAYSIA

TETUAN AMIRUL & HUSNI
PEGUAMBELA & PEGUAMCARA
B-10-2, BANGI GATEWAY,
PERSIARAN PEKELILING, SEKSYEN 15,
43850 BANDAR BARU BANGI, SELANGOR

Commissioner for Oaths
Selangor

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NIOSH CERTIFICATION SDN. BHD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NIOSH Certification Sdn. Bhd., which comprise the statement of financial position as at 31 December 2023 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended and notes to the financial statements, including a summary of significant accounting policies as set out on pages 71 to 106.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"); International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NIOSH CERTIFICATION SDN. BHD.(CONT'D)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards ("MFRS"); International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors have either intend to liquidate of the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt of the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NIOSH CERTIFICATION SDN. BHD.(CONT'D)

Other Matters

The financial statements of the Company for the financial year ended 31 December 2022 were audited by another auditor whose report dated 27 March 2023 expressed unqualified audit opinion.

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

IDRIS IBRAHIM & CO.
AF: 1047
Chartered Accountants

WAN IDRIS WAN IBRAHIM
01770/05/2024 J
Partner of the Firm

Kuala Lumpur
Dated: **26 March 2024**

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 RM	2022 RM
NON-CURRENT ASSETS			
Property, plant and equipment	4	228,962	305,439
Investment	5	229,084	215,497
Total non-current assets		458,046	520,936
CURRENT ASSETS			
Receivables, deposits and prepayments	6	5,077,018	3,096,424
Tax recoverable		75,349	134,001
Cash and cash equivalents	7	933,275	370,415
Total current assets		6,085,642	3,600,840
TOTAL ASSETS		6,543,688	4,121,776
EQUITY			
Share capital	8	5,825,000	3,500,000
Retained losses		(463,952)	(652,938)
Total equity		5,361,048	2,847,062
NON-CURRENT LIABILITY			
Lease liability	9	21,121	61,807
Total non-current liability		21,121	61,807
CURRENT LIABILITIES			
Lease liability	9	40,686	37,690
Payables and accruals	10	1,120,833	1,175,217
Total current liabilities		1,161,519	1,212,907
TOTAL LIABILITIES		1,182,640	1,274,714
TOTAL EQUITY AND LIABILITIES		6,543,688	4,121,776

The notes to the financial statements form an integral part of these financial statements.
Independent auditors' report on page 69 to 71.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	2022 RM
Revenue	11	7,630,255	6,291,591
Cost of sales		(3,013,576)	(2,617,243)
Gross profit		4,616,679	3,674,348
Other income	12	18,349	18,306
Administrative expenses	13	(4,426,963)	(3,581,608)
Results from operating activities		208,065	111,046
Finance costs	14	(7,910)	(9,006)
Profit before tax		200,155	102,040
Tax expense	15	(11,169)	(1,876)
Profit for the financial year		188,986	100,164
Other comprehensive income, net of tax		-	-
Total comprehensive income for the financial year		188,986	100,164

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Share capital RM	Retained losses RM	Total RM
COMPANY				
At 1 January 2022		3,500,000	(753,102)	2,746,898
Profit for the financial year		-	100,164	100,164
At 31 December 2022		3,500,000	(652,938)	2,847,062
Issuance of shares	8	2,325,000	-	2,325,000
Profit for the financial year		-	188,986	188,986
At 31 December 2023		5,825,000	(463,952)	5,361,048

The notes to the financial statements form an integral part of these financial statements.
Independent auditors' report on page 69 to 71.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	2022 RM
Cash flows from operating activities			
Profit before tax		200,155	102,040
Adjustments for item not involving the movement of funds:			
Depreciation of property, plant and equipment		92,050	84,016
Depreciation of right-of-use assets		37,764	18,882
Interest on lease liabilities		7,910	9,006
Dividend income		(16,383)	(13,370)
Operating profit before working capital changes		321,496	200,574
(Increase)/Decrease in:			
Receivables, deposits and prepayments		19,406	(695,476)
(Decrease)/Increase in:			
Payables and accruals		(54,385)	218,358
Cash generated from/(used in) operations		286,517	(276,544)
Tax paid		(34,019)	(34,019)
Tax refund		81,503	-
Dividend income received		16,383	13,370
Interest on lease liabilities		(7,910)	(9,006)
Net cash generated from/(used in) operating activities		342,474	(306,199)
Cash flows from investing activities			
Purchase of property, plant and equipment		(53,337)	(44,107)
(Placements)/Withdrawals of investments		(13,587)	286,650
Net cash (used in)/generated from investing activities		(66,924)	242,543
Cash flows from financing activities			
Repayment of lease liability		(37,690)	(13,794)
Issuance of share capital		325,000	-
Net cash generated from/(used in) financing activities		287,310	(13,794)
Net increase/(decrease) in cash and cash equivalents		562,860	(77,450)
Cash and cash equivalents:			
- At beginning of the year		370,415	447,865
- At end of the year	7	933,275	370,415
Analysis of cash and cash equivalents			
Cash and bank balances		822,641	262,577
Deposits with licensed financial institutions		110,634	107,838
		933,275	370,415

The notes to the financial statements form an integral part of these financial statements.
Independent auditors' report on page 69 to 71.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The registered office and place of business of the Company is located at 7th Floor, NIOSH Tower, Lot 1, Jalan 15/1, Section 15, 43650 Bandar Baru Bangi, Selangor.

The principal activities of the Company is to provide a comprehensive range of Management Systems Certification services and related services including but not limited to registration, auditing, checking, inspection, training and product testing that confirm to Management System Standards, code of practice, guidelines, laws and other related thereto. There have been no significant changes in the nature of the activities of these Company during the financial year.

The holding company is National Institute of Occupational Safety and Health (NIOSH), an Institute incorporated in Malaysia.

The financial statements of the Company are presented in Ringgit Malaysia ("RM").

The financial statements were authorised for issue by the Board of Directors in accordance with resolution of the Directors dated **26 March 2024**.

2. BASIS OF PREPARATION

(a) Statement of compliance and adoption of new MFRSs

The financial statements of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, amendments and interpretations of the MFRSs framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

Title	Effective for annual periods beginning on or after
MFRS 17 *Insurance Contracts – Amendments to MFRS 17*	1 January 2023
Amendments to MFRS 17 *Insurance Contracts and MFRS 9 Financial Instruments – Initial application of MFRS 17 and comparative information.*	1 January 2023

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

2. BASIS OF PREPARATION (Continued)

(a) Statement of compliance and adoption of new MFRSs (Continued)

Title	Effective for annual periods beginning on or after
Amendments to MFRS 101 *Presentation of Financial Statements* and MFRS Practise Statement 2 – *Disclosure of accounting policies*	1 January 2023
Amendments to MFRS 108 *Accounting Policies Changes in Accounting Estimates and Errors – Definition of accounting estimates*	1 January 2023
Amendments to MFRS 112 *Income Taxes – Deferred tax related to assets and liabilities arising from a single transaction*	1 January 2023
Amendments to MFRS 16 *Leases – Lease liability in a sale and leaseback*	1 January 2024
Amendments to MFRS 101 *Presentation of Financial Statements – Classification of liabilities as current or non-current and non-current liabilities with covenants*	1 January 2024
Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates – Lack of exchangeability*	1 January 2025
Amendments to MFRS 10 *Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – Sale or contribution of assets between an investor and its associates or joint venture*	Yet to be confirmed

The Company does not expect the adoption of the above MFRSs standards to have a significant impact on the financial statements.

(b) Basis of measurement

The financial statements have been prepared on the historical cost convention, unless otherwise indicated in the summary of significant accounting policies as disclosed in the followings notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

2. BASIS OF PREPARATION (Continued)

(c) Functional and presentation currency

The financial statements of the Company are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(d) Significant accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

(i) Useful lives of property, plant and equipment

Property, plant and equipment are depreciated on the straight-line basis over their estimated useful lives. The Director estimates that the useful lives of the property, plant and equipment to be within 3 years to 5 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the property, plant and equipment. Therefore, the future depreciation charge could be revised.

The carrying amounts of the Company's property, plant and equipment at the reporting date are disclosed in Note 4.

(ii) Expected credit losses of trade receivables and other receivables

The Company assess the credit risk at each reporting date, whether there have been significant increases in credit risk since initial recognition on an individual basis. To determine whether there is a significant increase in credit risks, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtors.

Where there is a significant increase in credit risk, the Company determine the lifetime expected credit losses by considering the loss given default and the probability of default assigned to each counterparty customer. The financial assets are written off partially or in full when there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-offs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

2. BASIS OF PREPARATION (Continued)

(d) Significant accounting estimates and judgements (Continued)

(iii) Leases

The lease term has been determined based on the non-cancellable period of lease together with periods covered by an option to extend or to terminate the lease. In determining whether it is reasonably certain to exercise an option to extend or an option to terminate the lease, management has considered all relevant factors and circumstances that have created the economic incentives to exercise such options. The Company also applies judgement and assumptions in determining the incremental borrowing rate ("IBR") of respective leases.

The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

(iv) Income taxes and deferred tax

Estimation is required to determine the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions, where applicable, in the periods in which such determination is made.

While the Company's estimates on the realisation and settlement of temporary differences and the realisation of unutilised tax losses are based on the available information at the reporting date, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount is recognised in profit or loss in the period in which actual realisation and settlement occurs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES

a) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition of its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. The net carrying amount of the replaced part is derecognised when the replacement occurs. All other repairs and maintenance are recognised in profit or loss as incurred.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation of other property, plant and equipment is provided for on the straight-line basis to write off the cost of each asset according to its estimated useful life as follows:

Audio visual (AV) equipment	5 years
Computers	5 years
Furniture and fittings	5 years
Office equipment	5 years
Renovations	5 years

Depreciation of an asset begins when it is ready for its intended use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. In addition, a right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The residual value, useful life and depreciation method are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Property, plant and equipment (Continued)

Right-of-use asset

A right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

After initial recognition, right-of-use asset is stated at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

The right-of-use asset is depreciated on a straight-line basis over its lease term of two (2) until three (3) years.

b) Impairment of non-financial assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Impairment of non-financial assets (Continued)

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is realised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

In respect of assets other than goodwill (if any), and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation.

c) Financial Instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Financial Instruments (Continued)

(ii) Financial instrument categories and subsequent measurement

The Company categorised financial instruments as follows:

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses.

Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

b) Fair value through other comprehensive income

(i) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective profit rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Financial Instruments (Continued)

(ii) Financial instrument categories and subsequent measurement (Continued)

Financial assets (Continued)

b) Fair value through other comprehensive income (Continued)

(ii) Equity investments

This relates to an investment in equity that is not held for trading where the Company irrevocably elects to measure at fair value and subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 3(c)(v)).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Financial Instruments (Continued)

(ii) Financial instrument categories and subsequent measurement (Continued)

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

The Company does not hold any financial liabilities measured at fair value through profit or loss.

b) Amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Interest expenses and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Financial Instruments (Continued)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(v) Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables, as well as on financial guarantee contracts (if any).

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Company recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash in hand, bank balances, deposits with licensed financial institutions and other short-term highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The statement of cash flows is prepared using the indirect method.

e) Leases

(i) Definition of a lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

a) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
b) the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
c) the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Company has the right to direct the use of the asset if either:
   - the Company has the right to operate the asset; or
   - the Company has designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Leases (Continued)

(ii) Recognition, initial measurement and subsequent measurement

As a lessee

The Company recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are presented in property, plant and equipment in the statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the profit rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:
(a) fixed payments, including in-substance fixed payments;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(c) amounts expected to be payable under a residual value guarantee; and
(d) the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an option renewal period of the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective profit rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Leases (Continued)

(ii) Recognition, initial measurement and subsequent measurement (Continued)

Short-term leases and leases of low-value assets

The Company apply the short-term lease and leases of low-value assets recognition exemption to its short-term leases of premise, machinery and equipment and motor vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

f) Contract liabilities

A contract liability is stated at cost and represents the obligation to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customer.

g) Government grants

Government grants are recognised initially at their fair values in the statement of financial position as deferred income where there is reasonable assurance that the grants will be received and all conditions attached will be complied. Grants that compensate the Company for expenses incurred are recognised as income over the periods to match the cost that the grants are intended to compensate.

h) Income tax

(i) Current tax

Income tax on profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the reporting date.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Income tax (Continued)

(ii) Deferred tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except for the deferred tax liability that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except for the deferred tax asset that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be realised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised as income or expense and included in profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Goods and Services Tax ("GST") and Sales and Service Tax ("SST")

Revenue, expenses and assets are recognised net of GST or SST except:
- when the GST or SST incurred in a purchase of asset or service is not recoverable from the authority, in which case the GST or SST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with GST or SST inclusive.

The net GST or SST payable to the taxation authority is included as part of payables in the statements of financial position.

j) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Company recognise revenue when (or as) it transfers control over a good or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Company transfer control of a good or service at a point in time unless one of the following over time criteria is met:

i. The customer simultaneously receives and consumes the benefits provided as the Company perform;
ii. The Company's performance creates or enhances an asset that the customer controls as the asset is created and enhanced; or
iii. The Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

Income from events and courses is recognised upon the delivery of the events and courses. Advanced payments received from events and courses are recognised as contract liabilities in the statement of financial position.

(ii) Interest income

Interest income is recognised based on an effective yield basis.

(iii) Dividend

Dividend income from investment is recognised when the right to receive dividend payment is established.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses, social security contributions and other benefits are recognised as anexpense in the year in which the associated services are rendered by employees of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term accumulated compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss in the period in which the related service is performed. As required by law in Malaysia, such contributions are made to the Employees Provident Fund (“EPF”).

l) Borrowing costs

Borrowing costs consist of interest in respect of lease liabilities which is recognised in profit or loss in the period they are incurred.

m) Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Fair value measurements (Continued)

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows: -

Income and the fair value hierarchy are as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

	AV equipment RM	Computers RM	Furniture and fittings RM	Office equipment RM	Renovations RM	Right-of-use asset (i) RM	Total RM
Cost:							
At 1 January 2022	41,249	264,184	151,626	32,763	185,518	-	675,340
Additions	6,956	16,448	18,004	2,699	-	113,291	157,398
Disposal/Written off	-	-	-	-	-	-	-
At 31 December 2022 / 1 January 2023	48,205	280,632	169,630	35,462	185,518	113,291	832,738
Additions	6,146	12,593	12,644	9,274	12,680	-	53,337
Disposal/Written off	-	-	-	-	-	-	-
At 31 December 2023	54,351	293,225	182,274	44,736	198,198	113,291	886,075
Accumulated depreciation:							
At 1 January 2022	25,197	179,100	94,588	24,791	100,725	-	424,401
Charged for the year	5,662	27,754	21,028	2,302	27,270	18,882	102,898
Disposal/Written off	-	-	-	-	-	-	-
At 31 December 2022 / 1 January 2023	30,859	206,854	115,616	27,093	127,995	18,882	527,299
Charged for the year	7,006	28,785	23,549	3,987	28,723	37,764	129,814
Disposal/Written off	-	-	-	-	-	-	-
At 31 December 2023	37,865	235,639	139,165	31,080	156,718	56,646	657,113
Carrying amount:							
At 1 January 2022	16,052	85,084	57,038	7,972	84,793	-	250,939
At 31 December 2022 / 1 January 2023	17,346	73,778	54,014	8,369	57,523	94,409	305,439
At 31 December 2023	16,486	57,586	43,109	13,656	41,480	56,645	228,962

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

(i) The detail of right-of-use assets ("ROU'') as follows:

	Right-of-use assets RM	Total RM
Cost:		
At 1 January 2022	-	-
Additions	113,291	113,291
Disposal/Written off	-	-
At 31 December 2022 / 1 January 2023	113,291	113,291
Additions	-	-
Disposal/Written off	-	-
At 31 December 2023	113,291	113,291
Accumulated depreciation:		
At 1 January 2022	-	-
Charged for the year	18,882	18,882
Disposal/Written off	-	-
At 31 December 2022 / 1 January 2023	18,882	18,882
Charged for the year	37,764	37,764
Disposal/Written off	-	-
At 31 December 2023	56,646	56,646
Carrying amount:		
At 1 January 2022	-	-
At 31 December 2022 / 1 January 2023	94,409	94,409
At 31 December 2023	56,645	56,645

5. INVESTMENT

	2023 RM	2022 RM
Fair value through other comprehensive income:		
Placement of funds in		
- institutional investment company	229,084	215,497

The Company placed funds in institutional investment accounts maintained with a subsidiary of Malaysian trustee company, wholly-owned by the Government of Malaysia.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

6. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023 RM	2022 RM
Trade:		
Trade receivables	2,660,001	2,825,495
Non-trade:		
Other receivables	21,373	42,323
Prepayments	333,227	194,809
Deposits	62,417	33,797
Amount due from holding company	2,000,000	-
	2,417,017	270,929
Total trade and other receivables	5,077,018	3,096,424

Included in trade receivables of the Company is a trade related amount of RM20,000 (2022: RM13,730) which due from holding company.

The Company's normal trade credit terms range from cash terms to 30 (2022: cash terms to 30) days. Other credit terms are assessed and approved on case by case basis.

Included in trade receivables of the Company is an amount of RM379,843 (2022: RM408,745) owing by related parties which are also agencies under the Ministry of Human Resources as the holding company.

The amount due from holding company is unsecured and interest free.

7. CASH AND CASH EQUIVALENTS

	2023 RM	2022 RM
Cash in hand	5,884	4,000
Bank balances	816,757	258,577
Placement with licensed financial institution	110,634	107,838
	933,275	370,415

The interest rates for the fixed deposits place with licensed financial institutions range from 2.80% (2022: 3.95%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

8. SHARE CAPITAL

	2023 Units	2023 RM	2022 Units	2022 RM
Ordinary shares:				
As at 1 January	3,500,000	3,500,000	3,500,000	3,500,000
Issued during the year	2,325,000	2,325,000	-	-
At 31 December	5,825,000	5,825,000	3,500,000	3,500,000

The holders of ordinary shares are entitled to receive dividends as and when declare by the Company. All ordinary shares carry on vote per share without restriction.

9. LEASE LIABILITY

	2023 RM	2022 RM
Lease liabilities included in the statement of financial position		
At 1 January	99,497	-
Acquisition of new lease	-	113,291
	99,497	113,291
Less:		
Payment of lease liabilities	(37,690)	(13,794)
At 31 December	61,807	99,497
Current	40,686	37,690
Non-current	21,121	61,807
	61,807	99,497
Maturity analysis - contractual undiscounted cash flows		
Less than one year	45,600	45,600
After five years: Between one and five years	22,800	68,400
"Total undiscounted lease liabilities at 31 December"	68,400	114,000
Amount disclosed in the statement of cash flows:		
Interest on lease liabilities	7,910	9,006
Payment of lease liabilities	37,690	13,794

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

10. PAYABLES AND ACCRUALS

	2023 RM	2022 RM
Trade:		
Trade payables	314,693	567,106
Non-trade:		
Prepayment	129,967	39,047
Accruals	202,895	116,587
SST payables	227,005	200,914
Amount due to holding	246,273	251,563
	806,140	608,111
Total trade and other payables	1,120,833	1,175,217

The normal trade credit term granted to the Company is 30 (2022: 30) days.

Included in trade payables of the Company is a trade related amount of RM11,625 (2022: RM310,436) which is due to holding company.

The amounts due to holding company is unsecured, interest free and payable on demand. The amount owing is to be settled in cash.

11. REVENUE

(i) Revenue from contracts with customers are comprise:

	2023 RM	2022 RM
Courses	1,728,610	1,188,488
Certifications	5,901,645	5,103,103
	7,630,255	6,291,591

(ii) Revenue from contracts with customers are comprise:

	2023 RM	2022 RM
- at a point in time	7,630,255	6,291,591

(iii) Performance obligations

Performance obligations of the revenue are disclosed in Note 3(j) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

12. OTHER INCOME

	2023 RM	2022 RM
Hibah	1,396	136
Dividend income (a)	16,953	18,170
Manual standard	570	4,800

(a) Dividend income from investment is recognised when the right to receive dividend payment is established.

13. OPERATING AND ADMINISTRATIVE EXPENSES

Included in operating and administrative expenses are:

	2023 RM	2022 RM
Audit fee	7,200	6,000
Depreciation of property, plant and equipment	92,050	84,016
Depreciation of right-of-use assets	37,764	18,882
Directors' allowances	46,200	37,800
Rental of equipment	86,644	76,955
Rental of motor vehicles	69,466	32,281
Rental of premises	25,300	22,800
Employee benefits (Note 16)	3,561,834	2,920,870

14. FINANCE COSTS

	2023 RM	2022 RM
Interest on lease liabilities	7,910	9,006

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

15. TAX EXPENSE

	2023 RM	2022 RM
Tax expense for the year:		
Malaysian income tax	11,145	-
Under provision in prior years	24	1,876
	11,169	1,876

Domestic income tax is calculated at the Malaysian statutory rate of 24% (2022: 24%) of the estimated assessable profit for the financial year.

A reconciliation of tax expense applicable to profit before tax at the statutory income tax rate to tax expense at the effective income tax rate of the Company and of the Company is as follows:

	2023 RM	2022 RM
Profit before tax	200,155	102,040
Taxation at Malaysian statutory tax	48,037	24,490
Expenses not deductible for tax purposes	44,510	16,973
Other income not subject to tax	(3,932)	(3,209)
Utilisation of deferred tax assets previously no recognised	(77,470)	(38,254)
Under provision prior years	24	1,876
	11,169	1,876

The Company has unabsorbed business losses of approximately RM338,413 (2022: RM1,648,911) to set off against future taxable profits subject to no substantial change in shareholdings under section 44(5A) and 5(B) of the Income Tax Act, 1967 and guidelines issued by the tax authority.

The Ministry of Finance via the Budget 2022 announced that with effect from year of assessment 2019, the carry forward of unutilised business losses can now be carried forward for a maximum period of ten (10) consecutive years of assessment effective from year assessment 2019.

The unutilised tax losses will expire in accordance with section 44(5F) of the Income Tax Act 1967 approximately are as follows:

Year of assessment	2023 RM	2022 RM
2028	252,958	1,555,050
2030	85,455	93,861
	338,413	1,648,911

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

15. TAX EXPENSE (Continued)

The following deferred tax has not been provided in the financial statements arising from:

	2023 RM	2022 RM
Property, plant and equipment	-	11,400
Unabsorbed tax losses	-	(395,740)
	-	(384,340)

16. EMPLOYEE BENEFITS

	2023 RM	2022 RM
Salaries, bonus and allowances	2,917,981	2,363,912
Defined contribution plan	397,578	322,707
Employement Insurance System	3,741	2,913
Social Security Organisation	33,333	25,994
Other employee benefit	209,201	205,344
	3,561,834	2,920,870

The number of employee (including executive Directors) of the Company at the end of the financial year were 46 (2022: 36).

Included in employee benefits is the key management personnel compensation as shown in Note 17(a).

17. SIGNIFICANT RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

The Directors are of the opinion that the related party transactions have been entered into the normal course of business and are based on normal trade terms. All the amounts outstanding are unsecured and are expected to be settled with cash.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

17. SIGNIFICANT RELATED PARTY DISCLOSURES (Continued)

a) Key management's remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly.

The remunerations of the key management personnel for the financial year are as follows:

	2023 RM	2022 RM
Salaries, bonus and allowances	436,327	427,922
Defined contribution plan	71,991	66,054
Employement Insurance System	238	206
Social Security Organisation	2,080	1,798
Other employee benefit	5,325	50,000
	515,961	545,980

b) Significant related party balances and transactions

	2023 RM	2022 RM
Revenue		
Revenue rendered to holding company	107,653	187,173
Cost of sales		
Service charged to holding company	78,534	43,277

These transactions are transacted in the normal course of business under normal commercial terms.

The outstanding balances and the terms of settlement are disclosed in Note 6 and Note 10 to the financial statements, respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

18. FINANCIAL INSTRUMENTS

18.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(i) Amortised cost;
(ii) Fair value through other comprehensive income ("FVOCI").

	Carrying amount RM	Amortised cost RM	FVOCI RM
2023			
Financial assets			
Receivables and deposits	2,743,791	2,743,791	-
Investment	229,084	-	229,084
Cash and cash equivalents	933,275	933,275	-
	3,906,150	3,677,066	229,084
Financial liabilities			
Payables and accruals	517,588	517,588	-
Amount due to holding	246,273	246,273	-
	763,861	763,861	-
2022			
Financial assets			
Receivables and deposits	2,901,615	2,901,615	-
Investment	215,497	-	215,497
Cash and cash equivalents	370,415	370,415	-
	3,487,527	3,272,030	215,497
Financial liabilities			
Payables and accruals	683,693	683,693	-
Amount due to holding	251,563	251,563	-
	935,256	935,256	-

18.2 Financial risk management

The Company is exposed to a variety of financial risks arising from its operations. The key financial risks included credit risk, liquidity risk and interest rate risk. The Company operates within clearly defined guidelines that are approved by the Board and the Company's policy is not engage in speculative activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

18. FINANCIAL INSTRUMENTS (Continued)

18.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk arises principally from its trade receivables, trade related amount due from/to its holding company and advances to holding company.

Trade receivables

The Company extends credit terms to the customers that range between 30 to 60 days. Credit term extended to its customers is based on careful evaluation on the customers' financial condition and payment history. Receivables are monitored on an ongoing basis via Company's management reporting procedures and action will be taken for long outstanding debts.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount in the statement of financial position.

The ageing analysis of trade receivables of the Company as at the end of the reporting period is as follows:

	2023 RM	2022 RM
Not past due	1,024,590	801,220
Past due 0-30 days	572,959	721,110
Past due 31-60 days	430,797	557,117
Past due more than 60 days	631,655	746,048
	1,635,411	2,024,275
	2,660,001	2,825,495

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Company. None of the Company's trade receivables that are neither pass due nor impaired has been renegotiated during the financial year.

The Company has trade receivables amounting to RM1,635,411 (2022: RM2,024,275) and that are past due but not impaired as at end of the reporting period as the management is of the view that these debts will be collected in due course.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

18. FINANCIAL INSTRUMENTS (Continued)

18.3 Credit risk (Continued)

Trade receivables (Continued)

Maximum exposure to credit risk

In managing the credit risk of the trade receivables, the Company manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Company measures the allowance for the expected credit losses of trade receivables at an amount equal to lifetime ECL using a simplified approach. The expected credit losses on trade receivables are estimated based past default experience and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables such as liquidation and bankruptcy. Forward looking information such as country risk assessment has been incorporated in determining the expected credit losses.

Trade receivables are usually collectible and the Company does not have much historical bad debts written off or allowance for expected credit losses on trade receivables. There are circumstances where the settlement of trade receivables will take longer than the credits terms given to the customers. The delay in settlement is mainly due to administrative matter. No expected credit losses is provided during the financial year based on the above assessment as the impact to the Company's financial statements is not material.

Intercompany balances

The Company has trade related amount due from/due to its holding company and also advance to its holding company. The Company monitors the results of the holding company regularly.

The maximum exposure to credit risk is represented by the carrying amount in the settlement of financial position.

As at the end of the reporting period, there was no indication that the amount due from/to its holding company are not recoverable. The Company does not specifically monitor the ageing of these advances.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a continuity of funding.

The maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations are all due on demand or within one-to-one year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

19. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

In respect of financial instruments classified under current assets and current liabilities, the carrying amounts approximate fair value due to relatively short term of these financial instruments.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RM
31.12.2023						
Investments						
Syariah trust funds	229,084	-	-	229,084	229,084	229,084
31.12.2022						
Investments						
Syariah trust funds	215,497	-	-	215,497	215,497	215,497

Level 1 fair value

Level 1 fair value of the investments is derived by reference to their market value at the end of reporting period.

Sensitivity analysis of investment funds

As the Company neither have the intention, nor historical trend of active trading in these financial instruments, the Directors are of the opinion that the Company are not subject to significant exposure to price risk and accordingly, no sensitivity analysis is being presented at the end of each reporting period.

There is no transfer between levels in the hierarchy during the financial year

20. CAPITAL MANAGEMENT

The Company’s objective when managing capital is to maintain a strong capital base, so as to sustain their training activities. There were no changes in the Company’s approach to capital management during the financial year.

21. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform to current year’s presentation.

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