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

2024

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 2024

CONTENTS

CORPORATE INFORMATION

Directors

- YB. Chong Chieng Jen
- YBrs. G. Manivannan A/L Gowindasamy
- Dato' 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)

Registered Office and Place of Business:

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

Bankers

- Bank Islam Malaysia Berhad
- Malayan Banking 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 Group and of the Institute for the financial year ended 31 December 2024.

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	10,811,786	10,590,432

RESERVES AND PROVISIONS

There were no material transfers to and from reserves or 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
- YBrs. G. Manivannan A/L Gowindasamy
- Dato' Haji Ayop Bin Salleh
- Tuan Major Haji Hanif Bin Maidin (RTD)
- Puan Zamzarina Binti Abu Bakar
- YBrs. Ir. Haji Mohd Hatta Bin Zakaria
- Prof. Madya Ts. Dr. Shamsul Bahari Bin Shamsudin
- Dr. Sharudin Bin Shari
- Encik Ahmad Irfan Bin Hani (Appointed on 20.05.2024)
- Dato' Mohd Nazri Bin Abdul Rafar (Appointed on 03.07.2024)

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)

▪ Mejar TUDM (B) Anuar Bin Mohd Tajuddin	(Appointed on 12.08.2024)
▪ Prof. Dr. Abdul Mutalib Bin Leman	(Appointed on 12.08.2024)
▪ Puan Norzawatil Amali Binti Alias	(Appointed on 19.08.2024)
▪ Dr. Norlen Bin Mohamed	(Appointed on 12.11.2024)
▪ Datuk Dr. Norhayati Binti Rusli	(Resigned on 24.10.2024)
▪ Prof. Dr. Ismail Bin Bahari	(Resigned on 13.06.2024)
▪ Dr. Tan Guat Lin	(Resigned on 13.06.2024)
▪ Encik Mohd Rahimee Subramaniam Bin Abdullah	(Resigned on 13.06.2024)

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.

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 2024 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.

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

DATO' HAJI AYOP BIN SALLEH
Executive Director

Selangor
Dated: 20 March 2025

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 10 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 2024 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

DATO' HAJI AYOP BIN SALLEH
Executive Director

Selangor
Dated: 20 March 2025

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

I, DATO' HAJI 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 10 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 }
DATO' HAJI AYOP BIN SALLEH at Bangi in the state of }
Selangor on **20 March 2025** }

DATO' HAJI AYOP BIN SALLEH

Before me,

PESURUHJAYA SUMPAH
NO. B614
HUSNI BIN ABDUL MANAN
BC/H/524
1/1/2024 - 31/12/2026
MALAYSIA

Commissioner for Oaths
Selangor

TETUAN AMIRUL & HUSNI
PEGUAMBELA & PEGUAMCARA
B-10-2, BANGI GATEWAY,
PERSIARAN PEKELILING, SEKSYEN 15,
43650 BANDAR BARU BANGI, 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 2024 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 10 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 2024, 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 (Continued)

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.

Auditors’ Responsibility for the Audit of the Financial Statements (Continued)

- 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.

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 5 to the financial statements.

Other Matters

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
Kuala Lumpur
Dated: 20 March 2025

WAN IDRIS WAN IBRAHIM
01770/05/2026 J
Partner of the Firm

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	Group 2024 RM	Group 2023 RM	Institute 2024 RM	Institute 2023 RM
NON-CURRENT ASSETS					
Property, plant and equipment	4	13,321,385	13,724,936	13,173,177	13,495,974
Investment in subsidiary	5	-	-	5,825,000	5,825,000
Investment	6	341,851	229,084	-	-
Total non-current assets		13,663,236	13,954,020	18,998,177	19,320,974
CURRENT ASSETS					
Receivables, deposits and prepayments	7	27,321,674	21,902,731	23,570,089	19,071,986
Tax recoverable		529,303	604,652	529,303	529,303
Cash and cash equivalents	8	198,248,310	192,566,982	197,665,719	191,633,707
Total current assets		226,099,287	215,074,365	221,765,111	211,234,996
TOTAL ASSETS		**239,762,523**	**229,028,385**	**240,763,288**	**230,555,970**
EQUITY					
Endowment fund		50,000,000	50,000,000	50,000,000	50,000,000
Retained surplus		165,792,408	154,980,622	166,035,006	155,444,574
Total equity		215,792,408	204,980,622	216,035,006	205,444,574
NON-CURRENT LIABILITIES					
Lease liabilities	9	3,137,480	2,826,139	3,137,480	2,805,018
Government grants	10	-	1,360,124	-	1,360,124
Employee benefits	11	264,606	601,836	264,606	601,836
Total non-current liabilities		3,402,086	4,788,099	3,402,086	4,766,978
CURRENT LIABILITIES					
Lease liabilities	9	2,646,238	2,594,216	2,625,116	2,553,530
Government grants	10	2,793,244	2,990,105	2,793,244	2,990,105
Employee benefits	11	220,577	-	220,577	-
Payables and accruals	12	13,131,566	11,302,697	14,075,731	12,428,137
Contract liabilities	13	1,611,528	2,372,646	1,611,528	2,372,646
Tax payable		164,876	-	-	-
Total current liabilities		20,568,029	19,259,664	21,326,196	20,344,418
TOTAL LIABILITIES		23,970,115	24,047,763	24,728,282	25,111,396
TOTAL EQUITY AND LIABILITIES		**239,762,523**	**229,028,385**	**240,763,288**	**230,555,970**

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Institute	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Revenue	14	111,384,273	107,747,140	101,420,865	100,116,885
Cost of sales		(35,774,972)	(38,952,067)	(32,192,077)	(35,938,491)
Gross income		75,609,301	68,795,073	69,228,788	64,178,394
Other income	15	8,312,922	8,528,001	8,295,783	8,509,652
Operating and administrative expenses	16	(70,490,291)	(64,830,061)	(64,488,657)	(60,403,098)
Results from operating activities		13,431,932	12,493,013	13,035,914	12,284,948
Finance expense	17	(442,630)	(397,060)	(437,715)	(389,150)
Surplus before tax		12,989,302	12,095,953	12,598,199	11,895,798
Tax expense	18	(2,177,516)	(344,944)	(2,007,767)	(333,775)
Surplus for the financial year		10,811,786	11,751,009	10,590,432	11,562,023
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the financial year		10,811,786	11,751,009	10,590,432	11,562,023

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Endowment fund RM	Retained surplus RM	Total RM
GROUP			
At 1 January 2023	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
Surplus for the financial year	-	10,811,786	10,811,786
At 31 December 2024	50,000,000	165,792,408	215,792,408

	Endowment fund RM	Retained surplus RM	Total RM
INSTITUTE			
At 1 January 2023	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
Surplus for the financial year	-	10,590,432	10,590,432
At 31 December 2024	50,000,000	166,035,006	216,035,006

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Institute	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Cash flows from operating activities					
Surplus before tax		12,989,302	12,095,953	12,598,199	11,895,798
Adjustments for:					
Depreciation of property, plant and equipment		5,894,926	6,180,994	5,762,035	6,051,180
Allowance for impairment		2,439	12,396	-	12,396
Impairment loss of receivables		1,083,294	-	1,053,426	-
Deposit written-off		48,775	33,700	48,775	33,700
Provision for Golden Handshake		191,082	601,836	191,082	601,836
Profit/Interest income		(1,542,888)	(1,435,257)	(1,527,022)	(1,416,908)
(Gain)/Loss on disposals of property, plant and equipment		5	(61,786)	5	(61,786)
Interest on lease liabilities		442,629	397,060	437,715	389,150
Operating surplus before working capital changes		19,109,564	17,824,896	18,564,215	17,505,366
(Increase)/Decrease in:					
Receivables, deposits and prepayments		(6,391,155)	(5,341,230)	(5,542,305)	(3,360,636)
(Decrease)/Increase in:					
Payables and accruals		1,826,223	1,790,910	1,647,594	1,845,295
Employee benefits		(307,735)	-	(307,735)	-
Contract liabilities		(761,118)	679,129	(761,118)	679,129
Cash generated from operations		13,475,779	14,953,705	13,600,651	16,669,154
Interest received		1,542,888	1,435,257	1,527,022	1,416,908
Interest paid		(442,629)	(397,060)	(437,715)	(389,150)
Tax refund		-	81,503	-	-
Tax paid		(2,038,941)	(367,794)	(2,007,767)	(333,775)
Net cash generated from operating activities		12,537,097	15,705,611	12,682,191	17,363,137

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (Continued)

		Group		Institute	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Cash flows from investing activities					
Acquisition of property, plant and equipment		(2,099,717)	(2,564,780)	(2,047,580)	(2,511,443)
Proceeds from disposal of property, plant and equipment		-	61,786	-	61,786
(Withdrawal)/Additional of investment		(112,767)	(13,587)	-	-
Subcription of investment in subsidiary		-	(14,653)	-	(14,653)
Net cash used in investing activities		(2,212,484)	(2,531,234)	(2,047,580)	(2,464,310)
Cash flows from financing activities					
Repayment of lease liabilities		(3,086,300)	(2,561,179)	(3,045,614)	(2,523,489)
Grant received		467,000	3,655,000	467,000	1,330,000
Utilisation of grant		(2,023,985)	(3,921,950)	(2,023,985)	(3,921,950)
Net cash used in financing activities		(4,643,285)	(2,828,129)	(4,602,599)	(5,115,439)
Net increase in cash and cash equivalents		5,681,328	10,346,248	6,032,012	9,783,388
Cash and cash equivalents:					
- At beginning of the year		192,566,982	182,220,734	191,633,707	181,850,319
- At end of the year	8	198,248,310	192,566,982	197,665,719	191,633,707

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 **20 March 2025**.

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:

	Effective for annual periods beginning on or after
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates *(Lack of Exchangeability)*	1 January 2025
Amendments to MFRS 9 and MFRS 7 – Financial Instruments *(Classification and Measurement of Financial Instruments)*	1 January 2026

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 10 Consolidated Financial Statements *Annual improvements to MFRS Accounting Standards – Volume 11*	1 January 2026
Amendments to MFRS 107 Statement of Cash Flows *Annual improvements to MFRS Accounting Standards – Volume 11*	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statement	1 January 2027
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*	Deferred

(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.

(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.

2. BASIS OF PREPARATION (Continued)

(d) Significant accounting estimates and judgements (Continued)

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 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.

(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.

2. BASIS OF PREPARATION (Continued)

(d) Significant accounting estimates and judgements (Continued)

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of consolidation (Continued)

(i) Business combinations (Continued)

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.

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Property, plant and equipment (Continued)

Right-of-use asset (Continued)

The 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.

The depreciation period for the current and comparative periods are as follows:

Building	2 - 10 years
Motor vehicle	2 - 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.

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.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial instruments (Continued)

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

Financial liabilities (Continued)

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.

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leases (Continued)

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

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.

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.

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.

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:

i. The customer simultaneously receives and consumes the benefits provided as the Group and the Institute perform;
ii. The Group and the Institute's performance creates or enhances an asset that the customer controls as the asset is created and enhanced; or
iii. 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.

(iii) Dividend

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

(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").

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.

4. PROPERTY, PLANT AND EQUIPMENT

GROUP	AV equipment	Book and video	Buildings	Computers	Furniture and fittings	Motor vehicles	Balance carried forward
	RM	RM	RM	RM	RM	RM	RM
Cost:							
At 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 / 1 January 2024	2,439,259	2,506,643	3,072,889	9,385,704	6,550,322	3,371,024	27,325,841
Additions	113,324	-	-	157,801	377,410	110,676	759,211
Reclassification	-	-	-	-	-	-	-
Written off	(31,798)	-	-	(40,058)	(54,920)	-	(126,776)
At 31 December 2024	2,520,785	2,506,643	3,072,889	9,503,447	6,872,812	3,481,700	27,958,276
Accumulated depreciation:							
At 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 January 2024	1,864,907	2,479,708	278,014	8,619,163	5,891,289	3,191,157	22,324,238
Charged for the year	166,394	7,300	61,458	318,973	307,510	133,898	995,533
Written off	(31,798)	-	-	(40,057)	(54,920)	-	(126,775)
At 31 December 2024	1,999,503	2,487,008	339,472	8,898,079	6,143,879	3,325,055	23,192,996
Carrying amount:							
At 1 January 2023	430,812	13,203	2,856,333	1,044,553	657,280	305,902	5,308,083
At 31 December 2023 / 1 January 2024	574,352	26,935	2,794,875	766,541	659,033	179,867	5,001,603
At 31 December 2024	521,282	19,635	2,733,417	605,368	728,933	156,645	4,765,280

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

GROUP	Balance brought forward	Office equipment	Renovations	Right-of-use assets (i)	Scientific equipment	Work in progress	Total
	RM	RM	RM	RM	RM	RM	RM
Cost:							
At 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 / 1 January 2024	27,325,841	3,508,676	21,044,314	10,294,522	9,638,094	252,999	72,064,446
Additions	759,211	49,019	1,095,112	3,449,662	411,376	(215,000)	5,549,380
Reclassification	-	-	-	-	-	-	-
Written off	(126,776)	(23,009)	-	(2,111,016)	(178,606)	(37,999)	(2,477,406)
At 31 December 2024	27,958,276	3,534,686	22,139,426	11,633,168	9,870,864	-	75,136,420
Accumulated depreciation:							
At 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 / 1 January 2024	22,324,238	3,163,985	19,069,904	5,140,107	8,641,276	-	58,339,510
Charged for the year	995,533	152,379	1,107,802	3,268,494	390,719	-	5,914,927
Written off	(126,775)	(23,008)	-	(2,111,016)	(178,603)	-	(2,439,402)
At 31 December 2024	23,192,996	3,293,356	20,177,706	6,297,585	8,853,392	-	61,815,035
Carrying amount:							
At 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 / 1 January 2024	5,001,603	344,691	1,974,410	5,154,415	996,818	252,999	13,724,936
At 31 December 2024	4,765,280	241,330	1,961,720	5,335,583	1,017,472	-	13,321,385

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 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
Transfer	-	-	-	-	-	-	-
Written off	(4,200)	-	-	(56,001)	(82,831)	(177,347)	(320,379)
At 31 December 2023 / 1 January 2024	2,384,908	2,506,643	3,072,889	9,092,479	6,368,048	3,371,024	26,795,991
Additions	100,800	-	-	138,146	360,343	110,676	709,965
Reclassification	-	-	-	-	5,000	-	5,000
Written off	(31,798)	-	-	(40,058)	(54,920)	-	(126,776)
At 31 December 2024	2,453,910	2,506,643	3,072,889	9,190,567	6,678,471	3,481,700	27,384,180
Accumulated depreciation:							
At 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	366,218	354,223	126,032	1,058,561
Reclassification	-	-	-	-	-	-	-
Written off	(4,200)	-	-	(56,998)	(81,827)	(177,344)	(320,369)
At 31 December 2023 / 1 January 2024	1,827,042	2,479,708	278,014	8,383,524	5,752,124	3,191,157	21,911,569
Charged for the year	158,027	7,300	61,458	289,200	283,343	133,898	933,226
Reclassification	-	-	-	-	-	-	-
Written off	(31,798)	-	-	(40,057)	(54,920)	-	(126,775)
At 31 December 2024	1,953,271	2,487,008	339,472	8,632,667	5,980,547	3,325,055	22,718,020
Carrying amount:							
At 1 January 2023	413,466	13,203	2,856,333	970,775	603,266	305,902	5,162,945
At 31 December 2023/ 1 January 2024	557,866	26,935	2,794,875	708,955	615,924	179,867	4,884,422
At 31 December 2024	500,639	19,635	2,733,417	557,900	697,924	156,645	4,666,160

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

INSTITUTE	Balance brought forward	Office equipment	Renovations	Right-of-use assets (i)	Scientific equipment	Work in progress	Total
	RM	RM	RM	RM	RM	RM	RM
Cost:							
At 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 / 1 January 2024	26,795,991	3,463,940	20,846,116	10,181,231	9,638,094	252,999	71,178,371
Additions	709,965	49,018	877,221	3,449,662	411,376	-	5,497,242
Reclassification	5,000	-	210,000	-	-	(215,000)	-
Written off	(126,776)	(23,009)	-	(2,111,016)	(178,606)	(37,999)	(2,477,406)
At 31 December 2024	27,384,180	3,489,949	21,933,337	11,519,877	9,870,864	-	74,198,207
Accumulated depreciation:							
At 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 / 1 January 2024	21,911,569	3,132,905	18,913,186	5,083,461	8,641,276	-	57,682,397
Charged for the year	933,226	147,861	1,079,498	3,230,731	390,719	-	5,782,035
Reclassification	-	-	-	-	-	-	-
Written off	(126,775)	(23,008)	-	(2,111,016)	(178,603)	-	(2,439,402)
At 31 December 2024	22,718,020	3,257,758	19,992,684	6,203,176	8,853,392	-	61,025,030
Carrying amount:							
At 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/ 1 January 2024	4,884,422	331,035	1,932,930	5,097,770	996,818	252,999	13,495,974
At 31 December 2024	4,666,160	232,191	1,940,653	5,316,701	1,017,472	-	13,173,177

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 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 / 1 January 2024	8,706,119	1,588,403	10,294,522
Additions	3,121,107	328,555	3,449,662
Reclassification	113,291	(113,291)	-
Derecognition	(1,625,757)	(485,259)	(2,111,016)
At 31 December 2024	10,314,760	1,318,408	11,633,168
Accumulated depreciation:			
At 1 January 2023	4,639,909	256,171	4,896,080
Additions	2,096,004	529,469	2,625,473
Reclassification	(219,459)	-	(219,459)
Derecognition	(2,161,987)	-	(2,161,987)
At 31 December 2023 / 1 January 2024	4,354,467	785,640	5,140,107
Charged for the year	2,808,827	459,667	3,268,494
Reclassification	56,646	(56,646)	-
Derecognition	(1,625,757)	(485,259)	(2,111,016)
At 31 December 2024	5,594,183	703,402	6,297,585
Carrying amount:			
At 1 January 2023	4,483,917	1,332,232	5,816,149
At 31 December 2023 / 1 January 2024	4,351,652	802,763	5,154,415
At 31 December 2024	4,720,577	615,006	5,335,583

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 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 / 1 January 2024	8,706,119	1,475,112	10,181,231
Additions	3,121,107	328,555	3,449,662
Derecognition	(1,625,757)	(485,259)	(2,111,016)
At 31 December 2024	10,201,469	1,318,408	11,519,877
Accumulated depreciation:			
At 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 / 1 January 2024	4,354,467	728,994	5,083,461
Charged for the year	2,771,064	459,667	3,230,731
Derecognition	(1,625,757)	(485,259)	(2,111,016)
At 31 December 2024	5,499,774	703,402	6,203,176
Carrying amount:			
At 1 January 2023	4,483,917	1,237,823	5,721,740
At 31 December 2023 / 1 January 2024	4,351,652	746,118	5,097,770
At 31 December 2024	4,701,695	615,006	5,316,701

5. INVESTMENT IN SUBSIDIARY

	Institute	
	2024 RM	2023 RM
Unquoted share, at cost		
At 1 January	5,825,000	3,500,000
Additions	-	2,325,000
At 31 December	5,825,000	5,825,000

Details of the subsidiary incorporated in Malaysia is as follows:

Name of subsidiary	Effective equity interest 2024 %	Effective equity interest 2023 %	Principal activities
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.

6. INVESTMENT

	Group	
	2024 RM	2023 RM
Fair value through other comprehensive income:		
Placements of funds in		
- Institutional investment company	341,851	229,084

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	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade:				
Trade receivables	19,604,424	15,553,071	16,298,577	12,893,070
Less: Allowance for expected credit losses*	(2,439)	(44,345)	-	(44,345)
	19,601,985	15,508,726	16,298,577	12,848,725
Non-trade:				
Other receivables	886,902	544,874	526,798	523,501
Deposits	1,203,599	1,127,700	1,117,875	1,065,283
Prepayments	5,629,188	4,721,431	5,383,212	4,388,204
Amount due from subsidiary	-	-	243,627	246,273
	7,719,689	6,394,005	7,271,512	6,223,261
	27,321,674	21,902,731	23,570,089	19,071,986

*Allowance for expected credit losses:

	Group		Institute	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 January	44,345	31,949	44,345	31,949
Allowance for impairment	2,439	12,396	-	12,396
Written-off	(44,345)	-	(44,345)	-
At 31 December	2,439	44,345	-	44,345

The Group's and the Institute's normal trade credit terms range from cash terms to 30 (2023: cash terms to 30) days. Other credit terms are assessed and approved on a case-by-case basis.

Included in trade receivables of the Institute is a trade related amount of RM17,015 (2023: RM11,625) which was due from the subsidiary company.

Also included in trade receivables of the Group of RM10,800,563 (2023: RM9,342,344) and of the Institute of RM10,538,502 (2023: RM8,962,501) 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	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash in hand	43,281	45,884	42,000	40,000
Cash at bank	10,142,935	13,373,990	9,675,358	12,557,233
Placements with licensed financial institutions	41,884,433	39,350,057	41,770,700	39,239,423
Placements of funds in institutional trust account	146,177,661	139,797,051	146,177,661	139,797,051
	198,248,310	192,566,982	197,665,719	191,633,707

Placements with licensed financial institutions:

a) The profit rates for the fixed deposits placed with licensed financial institutions range from 2.50% to 4.00% (2023: 2.80% 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 RM6,331 (2023: RM6,159) 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.

9. LEASE LIABILITIES

	Group		Institute	
	2024	2023	2024	2023
	RM	RM	RM	RM
Lease liabilities included in the statement of financial position				
At 1 January	5,420,355	5,911,895	5,358,548	5,812,398
Additions during the year	3,449,662	2,069,639	3,449,662	2,069,639
	8,870,017	7,981,534	8,808,210	7,882,037
Less:				
Payment of lease liabilities	(3,086,299)	(2,561,179)	(3,045,614)	(2,523,489)
At 31 December	5,783,718	5,420,355	5,762,596	5,358,548
Current	2,646,238	2,594,216	2,625,116	2,553,530
Non-current	3,137,480	2,826,139	3,137,480	2,805,018
	5,783,718	5,420,355	5,762,596	5,358,548
Maturity analysis - contractual undiscounted cash flows				
Less than one year	3,144,091	2,637,353	3,121,291	2,591,753
Between one and five years	3,164,533	2,858,358	3,164,533	2,835,558
After five years	-	423,600	-	423,600
Total undiscounted lease liabilities at 31 December"	6,308,624	5,919,311	6,285,824	5,850,911
Amount recognised in profit or loss				
Expenses relating to lease of low-value asset, excluding term leases of low-value assets	1,188,662	1,136,356	1,188,662	1,136,356
Amount disclosed in the statement of cash flows				
Interest on lease liabilities	442,629	397,060	437,715	389,150
Payment of lease liabilities	3,086,299	2,561,179	3,045,614	2,523,489

10. GOVERNMENT GRANTS

	Group and Institute	
	2024	2023
	RM	RM
At 1 January	4,350,229	6,942,179
Received during the financial year	467,000	1,330,000
Expenditure during the financial year	(1,001,488)	(1,926,061)
Recognised as revenue during the financial year	(1,022,497)	(1,995,889)
At 31 December	2,793,244	4,350,229
Current	2,793,244	2,990,105
Non-current	-	1,360,124
	2,793,244	4,350,229

The grant comprised of:

	Group and Institute	
	2024	2023
	RM	RM
Non-current:		
Grant from *"Rancangan Malaysia Ke-10"* (RMK10)	-	244,622
Grant from RMK11	-	311,737
Grant from RMK12	-	803,765
	-	1,360,124
Current:		
Grant from *"Rancangan Malaysia Ke-10"* (RMK10)	244,622	-
Grant from RMK11	311,737	-
Grant from RMK12	269,277	-
Grant from RMK-WISME	-	118,650
Grant from Malaysian Indian Transformation Unit (MITRA)	1,967,608	2,871,455
	2,793,244	2,990,105
	2,793,244	4,350,229

11. EMPLOYEE BENEFITS

	Group and Institute	
	2024	2023
	RM	RM
At 1 January	601,836	-
Provision for Golden Handshake	191,082	601,836
	792,918	601,836
Payment during the financial year	(307,735)	-
At 31 December	485,183	601,836
Current	220,577	-
Non-current	264,606	601,836
	485,183	601,836

12. PAYABLES AND ACCRUALS

	Group		Institute	
	2024	2023	2024	2023
	RM	RM	RM	RM
Trade:				
Trade payables	4,635,361	3,154,843	4,325,001	2,840,150
Non-trade:				
Accruals	7,461,462	6,617,429	7,027,965	6,414,534
SST payables	969,374	1,378,658	720,965	1,151,653
Prepayment	63,569	129,967	-	-
Deposits received	1,800	21,800	1,800	21,800
Amount due to subsidiary	-	-	2,000,000	2,000,000
	8,496,205	8,147,854	9,750,730	9,587,987
	13,131,566	11,302,697	14,075,731	12,428,137

The normal trade credit term granted to the Group and the Institute is 30 (2023: 30) days.

Included in trade payables of the Institute is a trade related amount of Nil (2023: RM20,000) which was due from the subsidiary company.

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

13. CONTRACT LIABILITIES

	Group and Institute	
	2024	2023
	RM	RM
Courses fee	1,178,722	1,661,038
Examinations fee	403,006	367,116
Memberships	29,800	27,560
	1,611,528	2,055,714
Others	-	316,932
	1,611,528	2,372,646

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	
	2024	2023
	RM	RM
At 1 January	2,055,714	1,376,765
Received during the financial year	13,735,200	22,160,829
Recognised as revenue during the financial year	(14,179,386)	(21,481,880)
At 31 December	1,611,528	2,055,714

14. REVENUE

i. Revenue from contracts with customers are comprise:

	Group		Institute	
	2024	2023	2024	2023
	RM	RM	RM	RM
Courses	79,016,130	77,772,692	76,802,625	76,044,082
Consultancy	1,925,917	2,926,297	1,925,917	2,926,297
Examination, assessment and certification	27,983,406	25,610,707	20,233,503	19,709,062
Hostel and rental facilities	721,951	906,112	721,951	906,112
Information dissemination	1,661,899	472,538	1,661,899	472,538
Membership fee income	74,970	58,794	74,970	58,794
	111,384,273	107,747,140	101,420,865	100,116,885

ii. Timing of revenue recognition:

	Group		Institute	
	2024	2023	2024	2023
	RM	RM	RM	RM
- at a point in time	111,384,273	107,747,140	101,420,865	100,116,885

15. OTHER INCOME

	Group		Institute	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/Interest income	1,530,121	1,435,257	1,527,022	1,416,908
Dividend from trust account	6,690,912	6,913,510	6,678,145	6,913,510
Other miscellaneous income	91,889	117,448	90,616	117,448
Gain on disposals of property, plant and equipment	-	61,786	-	61,786
	8,312,922	8,528,001	8,295,783	8,509,652

16. OPERATING AND ADMINISTRATIVE EXPENSES

Included in operating and administrative expenses are:

	Group		Institute	
	2024 RM	2023 RM	2024 RM	2023 RM
Audit fee	61,800	50,200	53,000	43,000
Allowance for impairment	2,439	12,396	-	12,396
Impairment loss of receivables	1,083,294	-	1,053,426	-
Written off of property, plant and equipment	5	-	5	-
Depreciation of:				
- property, plant and equipment	2,646,429	3,774,980	2,551,304	3,682,930
- right-of-use assets				
- current	3,268,495	2,625,473	3,230,731	2,587,709
- overprovision	(20,000)	(239,459)	(20,000)	(219,459)

16. OPERATING AND ADMINISTRATIVE EXPENSES (Continued)

Included in operating and administrative expenses are: (Continued)

	Group		Institute	
	2024	2023	2024	2023
	RM	RM	RM	RM
Directors' remunerations:				
- allowances	635,341	462,829	587,041	416,629
- remunerations	612,640	603,930	612,640	603,930
Rental of equipment	1,163,803	1,142,805	1,096,162	1,056,161
Rental of premises	140,743	228,232	74,400	202,932
Rental of motor vehicles	573,568	399,918	442,948	330,452
Employee benefits expense (Note 19)	45,903,342	41,604,947	40,919,652	38,047,876

17. FINANCE EXPENSE

	Group		Institute	
	2024	2023	2024	2023
	RM	RM	RM	RM
Interest on lease liabilities	442,629	397,060	437,715	389,150

18. TAX EXPENSE

	Group		Institute	
	2024	2023	2024	2023
	RM	RM	RM	RM
Tax expense for the year:				
Malaysian income tax	2,138,924	332,225	1,974,048	321,080
Under/(Over) provision in prior years	38,592	12,719	33,719	12,695
	2,177,516	344,944	2,007,767	333,775

Domestic income tax is calculated at the Malaysian statutory rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

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	
	2024	2023	2024	2023
	RM	RM	RM	RM
Surplus before tax	12,989,302	12,095,953	12,598,199	11,895,798

	Group		Institute	
	2024	2023	2024	2023
	RM	RM	RM	RM
Taxation at Malaysian statutory tax rate	3,117,432	2,903,029	3,023,568	2,854,992
Other income not subject to tax	(4,796,438)	(407,453)	(4,800,370)	(403,521)
Expenses not deductible for tax purposes	4,120,583	104,081	4,040,719	59,571
Other income assessed separately	362,553	330,109	366,485	330,109
Utilisation of capital allowance	(665,206)		(656,354)	-
Utilisation of deferred tax assets	-	(2,597,541)	-	(2,520,071)
Under/(Over) provision in prior years	38,592	12,719	33,719	12,695
	2,177,516	344,944	2,007,767	333,775

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

	Group		Institute	
	2024	2023	2024	2023
	RM	RM	RM	RM
Property, plant and equipment	(1,363,183)	(1,453,467)	(1,325,240)	(1,453,467)
Others	(576,864)	(890,332)	(576,864)	(890,332)
Unabsorbed tax losses	-	-	-	-
	(1,940,047)	(2,343,799)	(1,902,104)	(2,343,799)

19. EMPLOYEE BENEFITS EXPENSE

	Group		Institute	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, bonus and allowances	37,036,253	33,649,945	32,788,212	31,333,800
Defined contribution plan (EPF)	4,300,241	4,003,450	3,787,841	3,605,872
Employment Insurance System (EIS)	41,654	39,849	36,799	36,108
Social Security Organisation (SOCSO)	366,069	348,265	323,099	314,932
Other employee benefits	4,159,125	3,563,438	3,983,701	2,757,164
	45,903,342	41,604,947	40,919,652	38,047,876

The numbers of employee (including executive Directors) of the Group and of the Institute at the end of the financial year were 434 (2023: 420) and 372 (2023: 374).

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.

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.

20. SIGNIFICANT RELATED PARTY DISCLOSURES (Continued)

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	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Salaries, bonus and allowances	1,400,587	1,302,847	837,380	866,520
Defined contribution plan (EPF)	134,728	218,875	40,852	146,884
Employment Insurance System (EIS)	378	476	89	238
Social Security Organisation (SOCSO)	2,754	4,160	223	2,080
Other employee benefits	11,811	12,084	6,878	6,759
	1,550,258	1,538,442	885,422	1,022,481

b) Related party transactions are disclosed below:

	2024	**2023**
	RM	**RM**
Revenue		
Revenue rendered to subsidiary company	20,834	78,534
Cost of sales		
Service charged by holding company	204,475	107,653

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
2024			
Financial assets			
Receivables and deposits	21,692,486	21,692,486	-
Investments	341,851		341,851
Cash and cash equivalents	198,248,310	198,248,310	-
	220,282,647	219,940,796	341,851
Financial liabilities			
Payables and accruals	13,067,997	13,067,997	-
Contract liabilities	1,611,528	1,611,528	-
	14,679,525	14,679,525	-
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	-

21. FINANCIAL INSTRUMENTS (Continued)

21.1 Categories of financial instruments (Continued)

Institute	Carrying amount RM	Amortised cost RM	FVOCI RM
2024			
Financial assets			
Receivables and deposits	18,186,877	18,186,877	-
Cash and cash equivalents	197,665,719	197,665,719	-
	215,852,596	215,852,596	-
Financial liabilities			
Payables and accruals	14,075,731	14,075,731	-
Contract liabilities	1,611,528	1,611,528	-
	15,687,259	15,687,259	-
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	-

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. FINANCIAL INSTRUMENTS (Continued)

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 subsidiary 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
Group	**RM**	**RM**	**RM**	**RM**
2024				
Neither past due	4,831,043	-	-	4,831,043
Past due 0-30 days	3,630,707	-	-	3,630,707
Past due 31-60 days	2,196,949	-	-	2,196,949
Past due more than 61 days	9,300,190	2,439	-	9,302,629
	19,958,889	2,439	-	19,961,328
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

21. FINANCIAL INSTRUMENTS (Continued)

21.3 Credit risk (Continued)

Trade receivables (Continued)

Institute	Net Balance RM	Allowance for impairment losses ECL (Individually assessed) RM	ECL (Collectively assessed) RM	Carrying amount RM
2024				
Neither past due	3,890,266	-	-	3,890,266
Past due 0-30 days	2,660,527	-	-	2,660,527
Past due 31-60 days	1,809,195	-	-	1,809,195
Past due more than 61 days	7,938,589	-	-	7,938,589
	16,298,577	-	-	16,298,577
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

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 RM13,999,377 (2023: RM9,634,549) and the Institute has trade receivables amounting to RM12,363,966 (2023: RM7,999,138) 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 (2023: 3 customers) representing 55% (2023: 69%) of total trade receivables.

21. FINANCIAL INSTRUMENTS (Continued)

21.3 Credit risk (Continued)

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/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.

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
31.12.2024						
Investment						
Syariah trust fund	341,851	-	-	341,851	341,851	341,851
31.12.2023						
Investment						
Syariah trust fund	229,084	-	-	229,084	229,084	229,084

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.

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

Sensitivity analysis of investment funds

As 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	
	2024	2023
	RM	RM
Capital expenditure in respect of purchase of property, plant and equipment		
Contract but not provided	-	252,999

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 2024

CONTENTS	PAGE

CORPORATE INFORMATION

Directors

- Dato' Haji Ayop Bin Salleh
- Puan Norzawatil Amali Binti Alias
- Dr. Sharudin Bin Shari
- Encik Ahmad Irfan Bin Hani
- Tuan Haji Nik Hasbi Fathi Bin Nik Husain Fathi
- Datuk Dr 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

Bankers

- Maybank Islamic Berhad
- CIMB 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 2024.

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 like these activities during the financial year.

RESULTS

	RM
Profit for the financial year	221,355

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 or provisions during the financial year except as disclosed in the financial statements.

SHARES AND DEBENTURES

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

DIRECTORS

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

- Dato' Haji Ayop Bin Salleh
- Dr. Sharudin Bin Shari
- Datuk Dr Hajah Rosmawati Binti Haji Lasuki
- Tuan Haji Nik Hasbi Fathi Bin Nik Husain Fathi
- Encik Thomas Balan Bang
- Encik Ahmad Irfan Bin Hani (Appointed on 29.11.2024)
- Puan Norzawatil Amali Binti Alias (Appointed on 29.11.2024)
- Datuk Dr. Norhayati Binti Rusli (Resigned on 13.11.2024)
- Puan Zamzarina Binti Abu Bakar (Resigned on 29.11.2024)

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:

	2024 RM
Allowances	48,300

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.

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.

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 2024 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.

DIRECTORS' REPORT
(Continued)

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	8,800

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:

DATO' HAJI AYOP BIN SALLEH

NORZAWATIL AMALI BINTI ALIAS

Selangor
Dated: 11 March 2025

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 73 to 109 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 2024 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,

DATO' HAJI AYOP BIN SALLEH

NORZAWATIL AMALI BINTI ALIAS

Selangor
Dated: 11 March 2025

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

I, DATO' HAJI 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 73 to 109 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 DATO' HAJI AYOP BIN SALLEH }
at Bangi in the state of Selangor on 11 March 2025 }

DATO' HAJI AYOP BIN SALLEH

Before me,

Commissioner for Oaths
Selangor

TETUAN AMIRUL & HUSNI
PEGUAMBELA & PEGUAMCARA
B-10-2, BANGI GATEWAY,
PERSIARAN PEKELILING, SEKSYEN 15,
43650 BANDAR BARU BANGI, 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 2024 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 73 to 109.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, 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.

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.

Auditors' Responsibility for the Audit of the Financial Statements (Continued)

- 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.

Other Matters

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
01770/05/2026 J
Partner of the Firm

Kuala Lumpur
Dated: 11 March 2025

STATEMENTS FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM	2023 RM
NON-CURRENT ASSETS			
Property, plant and equipment	4	148,208	228,962
Investment	5	341,851	229,084
Total non-current assets		490,059	458,046
CURRENT ASSETS			
Receivables, deposits and prepayments	6	5,893,562	5,077,018
Tax recoverable		101,650	75,349
Cash and cash equivalents	7	582,591	933,275
Total current assets		6,577,803	6,085,642
TOTAL ASSETS		**7,067,862**	**6,543,688**
EQUITY			
Share capital	8	5,825,000	5,825,000
Retained losses		(242,597)	(463,952)
Total equity		5,582,403	5,361,048
NON-CURRENT LIABILITY			
Lease liability	9	-	21,121
Total non-current liability		-	21,121
CURRENT LIABILITIES			
Lease liability	9	21,121	40,686
Payables and accruals	10	1,299,462	1,120,833
Tax payable		164,876	-
Total current liabilities		1,485,459	1,161,519
TOTAL LIABILITIES		1,485,459	1,182,640
TOTAL EQUITY AND LIABILITIES		**7,067,862**	**6,543,688**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM	2023 RM
Revenue	11	9,963,408	7,630,255
Cost of sales		(3,582,895)	(3,013,576)
Gross profit		6,380,513	4,616,679
Other income	12	17,139	18,349
Administrative expenses	13	(6,001,634)	(4,426,963)
Results from operating activities		396,018	208,065
Finance costs	14	(4,914)	(7,910)
Profit before tax		391,104	200,155
Tax expense	15	(169,749)	(11,169)
Profit for the financial year		221,355	188,986
Other comprehensive income, net of tax		-	-
Total comprehensive income for the financial year		221,355	188,986

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Share capital RM	Retained losses RM	Total RM
COMPANY				
At 1 January 2023		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
Profit for the financial year		-	221,355	221,355
At 31 December 2024		5,825,000	(242,597)	5,582,403

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM	2023 RM
Cash flows from operating activities			
Profit before tax		391,104	200,155
Adjustments for item not involving the movement of funds:			
Depreciation of property, plant and equipment		95,126	92,050
Depreciation of right-of-use assets		37,765	37,764
Interest on lease liabilities		4,914	7,910
Allowance of impairment		2,439	-
Written of trade receivables		29,868	-
Dividend income		(15,866)	(16,383)
Operating profit before working capital changes		545,350	321,496
(Increase)/Decrease in:			
Receivables, deposits and prepayments		(848,851)	19,406
(Decrease)/Increase in:			
Payables and accruals		178,629	(54,385)
Cash (used in)/generated from operations		(124,872)	286,517
Tax paid		(31,174)	(34,019)
Tax refund		-	81,503
Dividend received		15,866	16,383
Interest paid		(4,914)	(7,910)
Net cash (used in)/generated from operating activities		(145,094)	342,474
Cash flows from investing activities			
Purchase of property, plant and equipment		(52,137)	(53,337)
Placements of investments		(112,767)	(13,587)
Net cash used in investing activities		(164,904)	(66,924)
Cash flows from financing activities			
Repayment of lease liability		(40,686)	(37,690)
Issuance of share capital		-	325,000
Net cash (used in)/generated from financing activities		(40,686)	287,310
Net (decrease)/increase in cash and cash equivalents		(350,684)	562,860
Cash and cash equivalents:			
- At beginning of the year		933,275	370,415
- At end of the year	7	582,591	933,275
Analysis of cash and cash equivalents:			
Cash and bank balances		468,858	822,641
Deposits with licensed financial institutions		113,733	110,634
		582,591	933,275

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 11 March 2025.

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
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)	1 January 2025
Amendments to MFRS 9 and MFRS 7 Financial Instruments (Classification and Measurement of Financial Instruments)	1 January 2026
Amendments to MFRS 10 Consolidated Financial Statements Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

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 107 Statement of Cash Flows – Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
MFRS 18 – Presentation and Disclosure in Financial Statement	1 January 2027
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 join venture	Deferred

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.

(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.

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 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.

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.

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 equipment	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.

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 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Financial Instruments (Continued)

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

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Financial Instruments (Continued)

Financial assets (Continued)

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

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.

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.

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.

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.

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 applies 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Sales and Service Tax ("SST")

Revenue, expenses and assets are recognised net of SST except:

- when the SST incurred in a purchase of asset or service is not recoverable from the authority, in which case the 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 SST inclusive.

The net 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 an expense 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.

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.

4. PROPERTY, PLANT AND EQUIPMENT

	AV equipment	Computers equipment	Furniture and fittings	Office equipment	Renovations	Right-of-use asset (i)	Total
	RM	RM	RM	RM	RM	RM	RM
Cost:							
At 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
Disposals	-	-	-	-	-	-	-
At 31 December 2023 / 1 January 2024	54,351	293,225	182,274	44,736	198,198	113,291	886,075
Additions	12,524	19,655	12,067	-	7,891	-	52,137
Disposals	-	-	-	-	-	-	-
At 31 December 2024	66,875	312,880	194,341	44,736	206,089	113,291	938,212
Accumulated depreciation:							
At 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
Disposals	-	-	-	-	-	-	-
At 31 December 2023 / 1 January 2024	37,865	235,639	139,165	31,080	156,718	56,646	657,113
Charged for the year	8,366	29,773	24,167	4,518	28,304	37,763	132,891
Disposals	-	-	-	-	-	-	-
At 31 December 2024	46,231	265,412	163,332	35,598	185,022	94,409	790,004
Carrying amount:							
At 1 January 2023	17,346	73,778	54,014	8,369	57,523	94,409	305,439
At 31 December 2023 / 1 January 2024	16,486	57,586	43,109	13,656	41,480	56,645	228,962
At 31 December 2024	20,644	47,468	31,009	9,138	21,067	18,882	148,208

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

	Right-of-use Buildings RM	Total RM
Cost:		
At 1 January 2023	113,291	113,291
Additions	-	-
Disposals	-	-
At 31 December 2023 / 1 January 2024	113,291	113,291
Additions	-	-
Disposals	-	-
At 31 December 2024	113,291	113,291
Accumulated depreciation:		
At 1 January 2023	18,882	18,882
Charged for the year	37,764	37,764
Disposals	-	-
At 31 December 2023 / 1 January 2024	56,646	56,646
Charged for the year	37,763	37,763
Disposals	-	-
At 31 December 2024	94,409	94,409
Carrying amount:		
At 1 January 2023	94,409	94,409
At 31 December 2023 / 1 January 2024	56,645	56,645
At 31 December 2024	18,882	18,882

5. INVESTMENT

	2024 RM	2023 RM
Fair value through other comprehensive income:		
Placement of funds in		
- institutional investment company	341,851	229,084

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

6. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 RM	2023 RM
Trade:		
Trade receivables	3,305,847	2,660,001
Less:	(2,439)	-
	3,303,408	2,660,001
Non-trade:		
Other receivables	29,286	21,373
Prepayments	475,144	333,227
Deposits	85,724	62,417
Amount due from holding company	2,000,000	2,000,000
	2,590,154	2,417,017
Total trade and other receivables	5,893,562	5,077,018

*Allowance for expected credit losses:

	2024 RM	2023 RM
At 1 January	-	-
Allowance for impairment	2,439	-
Written-off	-	-
At 31 December	2,439	-

The Company's normal trade credit terms range from cash terms to 30 (2023: cash terms to 30) days. Other credit terms are assessed and approved on a case-by-case basis.

Included in trade receivables of the Company is a trade related amount of RM Nil (2023: RM20,000) which due from holding company.

Included in trade receivables of the Company is an amount of RM262,061 (2023: RM379,843) 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, interest free and repayable on demand.

7. CASH AND CASH EQUIVALENTS

	2024 RM	2023 RM
Cash in hand	1,281	5,884
Bank balances	467,577	816,757
Placement with licensed financial institution	113,733	110,634
	582,591	933,275

The interest rates for the fixed deposits place with licensed financial institutions range from 2.50% (2023: 2.80%) per annum.

8. SHARE CAPITAL

	2024 Units	2024 RM	2023 Units	2023 RM
Ordinary shares:				
As at 1 January	5,825,000	5,825,000	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	5,825,000	5,825,000

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

9. LEASE LIABILITY

	2024 RM	2023 RM
Lease liabilities included in the statement of financial position		
At 1 January	61,807	99,497
Payment of lease liabilities	(40,686)	(37,690)
At 31 December	21,121	61,807
Current	21,121	40,686
Non-current	-	21,121
	21,121	61,807

9. LEASE LIABILITY (Continued)

	2024 RM	2023 RM
Maturity analysis - contractual undiscounted cash flows		
Less than one year	22,800	45,600
After five years	-	22,800
Total undiscounted lease liabilities at 31 December	22,800	68,400
Amount disclosed in the statement of cash flows:		
Interest on lease liabilities	4,914	7,910
Payment of lease liabilities	40,686	37,690

10. PAYABLES AND ACCRUALS

	2024 RM	2023 RM
Trade:		
Trade payables	310,360	314,693
Non-trade:		
Prepayment	63,569	129,967
Accruals	433,497	202,895
SST payables	248,409	227,005
Amount due to holding	243,627	246,273
	989,102	806,140
Total trade and other payables	1,299,462	1,120,833

Included in trade payables of the Company is a trade related amount of RM 5,390 (2023: RM11,625) 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:

	2024 RM	2023 RM
Courses	2,213,505	1,728,610
Certifications	7,749,903	5,901,645
	9,963,408	7,630,255

(ii) Revenue from contracts with customers are comprise:

	2024 RM	2023 RM
- at a point in time	9,963,408	7,630,255

(iii) Performance obligations

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

12. OTHER INCOME

	2024 RM	2023 RM
Hibah	1,093	1,396
Dividend income (a)	15,866	16,383
Manual standard	180	570

(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:

	2024 RM	2023 RM
Audit fee	8,800	7,200
Depreciation of property, plant and equipment	95,126	92,050
Depreciation of right-of-use assets	37,765	37,764
Directors' allowances	48,300	46,200
Rental of equipment	67,641	86,644
Rental of motor vehicles	130,620	69,466
Rental of premises	66,343	25,300
Employee benefits (Note 16)	4,983,690	3,561,834

14. FINANCE COSTS

	2024 RM	2023 RM
Interest on lease liabilities	4,914	7,910

15. TAX EXPENSE

	2024 RM	2023 RM
Tax expense for the year:		
Malaysian income tax	164,876	11,145
Under provision in prior years	4,873	24
	169,749	11,169

Domestic income tax is calculated at the Malaysian statutory rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

15. 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 Company and of the Company is as follows:

	2024 RM	2023 RM
Profit before tax	391,104	200,155
Taxation at Malaysian statutory tax rate	93,865	48,037
Expenses not deductible for tax purposes	79,863	44,510
Other income not subject to tax	(3,932)	(3,932)
Utilisation of deferred tax assets previously no recognised	-	(77,470)
Utilisation of capital allowance	(8,852)	-
Other income subjected to tax	3,932	-
Under provision prior years	4,873	24
	169,749	11,169

The Company has unabsorbed business losses of approximately RM Nil (2023: RM338,413) 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	2024 RM	2023 RM
2028	-	252,958
2030	-	85,455
	-	338,413

15. TAX EXPENSE (Continued)

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

	2024 RM	2023 RM
Property, plant and equipment	(37,943)	11,400
Unabsorbed tax losses	-	(395,740)
	(37,943)	(384,340)

16. EMPLOYEE BENEFITS

	2024 RM	2023 RM
Salaries, bonus and allowances	4,041,452	2,917,981
Defined contribution plan	512,400	397,578
Employment Insurance System	4,855	3,741
Social Security Organisation	42,970	33,333
Other employee benefit	382,013	209,201
	4,983,690	3,561,834

The number of employee (including executive Directors) of the Company at the end of the financial year were 62 (2023: 46).

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.

17. SIGNIFICANT RELATED PARTY DISCLOSURES (Continued)

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.

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:

	2024 RM	2023 RM
Salaries, bonus and allowances	563,207	436,327
Defined contribution plan	93,876	71,991
Employment Insurance System	289	238
Social Security Organisation	2,531	2,080
Other employee benefit	4,933	5,325
	664,836	515,961

b) Significant related party balances and transactions

	2024 RM	2023 RM
Revenue		
Revenue rendered to holding company	204,475	107,653
Cost of sales		
Service charged to holding company	20,834	78,534

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.

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
2024			
Financial assets			
Receivables and deposits	5,418,418	5,418,418	-
Investment	341,851	-	341,851
Cash and cash equivalents	582,591	582,591	-
	6,342,860	6,001,009	341,851
Financial liabilities			
Payables and accruals	1,235,893	1,235,893	-
2023			
Financial assets			
Receivables and deposits	4,743,791	4,743,791	-
Investment	229,084	-	229,084
Cash and cash equivalents	933,275	933,275	-
	5,906,150	5,677,066	229,084
Financial liabilities			
Payables and accruals	990,866	990,866	-

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.

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:

		Allowance for impairment losses		
	Net Balance RM	ECL (Individually assessed) RM	ECL (Collectively assessed) RM	Carrying amount RM
2024				
Not past due	940,777	-	-	940,777
Past due 0-30 days	970,180	-	-	970,180
Past due 31-60 days	387,754	-	-	387,754
Past due more than 60 days	1,361,601	2,439	-	1,364,040
	3,660,312	2,439	-	3,662,751
2023				
Not past due	1,024,590	-	-	1,024,590
Past due 0-30 days	572,959	-	-	572,959
Past due 31-60 days	430,797	-	-	430,797
Past due more than 60 days	631,655	-	-	631,655
	2,660,001	-	-	2,660,001

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.

18. FINANCIAL INSTRUMENTS (Continued)

18.3 Credit risk (Continued)

Trade receivables (Continued)

The Company has trade receivables amounting to RM2,719,535 (2023: RM1,635,411) 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.

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/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.

18. FINANCIAL INSTRUMENTS (Continued)

18.3 Credit risk (Continued)

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.

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
31.12.2024						
Investments Syariah trust funds	341,851	-	-	341,851	341,851	341,851
31.12.2023						
Investments Syariah trust funds	229,084	-	-	229,084	229,084	229,084

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.

19. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

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 is 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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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

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

Tel: 03-8769 2100 l 03-8911 3800 **Fax:** 03-8926 2900

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