

IKM LAW HIENG DING FOUNDATION
[202001034123 (1390444 A)]
(Incorporated in Malaysia)

*Reports and audited financial statements
for the year ended 31 December 2025*

S P TAN & SUNDAR (AF 1527)
Chartered Accountants

IKM LAW HIENG DING FOUNDATION
[202001034123 (1390444 A)]
(Incorporated in Malaysia)

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for the year ended 31 December 2025*

Contents

	Page
Directors' report	1 - 4
Statement by directors	5
Statutory declaration	5
Independent auditors' report	6 - 9
Statement of financial position	10
Statement of comprehensive income and expenditure	11
Statement of changes in general fund	12
Statement of cash flows	13
Notes to the financial statements	14 - 25

Directors' report
For the year ended 31 December 2025

The directors have pleasure in submitting their report and the audited financial statements of the Foundation for the financial year ended 31 December 2025.

Principal activities

The principal activities of the Foundation are to promote public awareness, understanding and appreciation of chemistry and the chemistry profession; chemistry education in schools and universities; chemistry as a profession and career in Malaysia and the advancement of chemistry in Malaysia.

The Foundation is incorporated in Malaysia as a company limited by guarantee and does not have a share capital.

Financial results

	<i>RM</i>
Deficit of income over expenditure after taxation	<u>(6,289)</u>

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year.

Directors of the Foundation

The directors in office during the financial year and at the date of this report are:-

Son Ting Kueh @ Soon Ting Sing
Mohamed Zaini Bin Abdul Rahman
Zuriati Zakaria
Juan Joon Ching
Tea Hing San
Chang Hon Fong
Law Sie Ling

Directors' interest in shares

The foundation is limited by guarantee and does not have a share capital.

Directors' benefits

Since the end of the previous financial year, no director of the Foundation has received nor become entitled to receive any benefit (other than those disclosed in the financial statements) by reason of a contract made by the Foundation 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.

There were no arrangements during and at the end of the financial year which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other corporate.

Other statutory information

Before the financial statements of the Foundation were made out, the Directors took reasonable steps :-

- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

- (i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Foundation inadequate to any substantial extent, or

Other statutory information (contd.)

- (ii) that would render the value attributed to the current assets in the financial statements of the Foundation misleading, or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Foundation misleading or inappropriate, or
- (iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Foundation misleading.

At the date of this report, there does not exist:-

- (i) any charge on the assets of the Foundation that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Foundation that 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 Foundation to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Foundation for the financial year ended 31 December 2025 has not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

Auditors' remuneration is disclosed in the statement of comprehensive income and expenditure.

The auditors, S P Tan & Sundar, have expressed their willingness to continue in office.

Signed on behalf of the board of directors in accordance with a resolution of the directors



SON TING KUEH @ SOON TING
SING



CHANG HON FONG

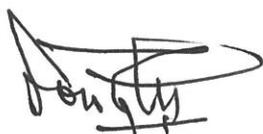
Date: 28 FEB 2026

Statement by directors

Pursuant to Section 251(2) of the Companies Act, 2016

We, Son Ting Kueh @ Soon Ting Sing and Chang Hon Fong, being two of the directors of IKM Law Hieng Ding Foundation, do hereby state that, in the opinion of the directors, the financial statements set out on pages 10 to 25 are drawn up so as to give a true and fair view of the state of affairs of the Foundation as at 31 December 2025 and of the results and cash flows of the Foundation for the year ended on that date in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia.

Signed on behalf of the board of directors in accordance with a resolution of the directors



SON TING KUEH @ SOON TING SING



CHANG HON FONG

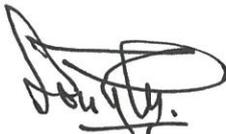
Date: 28 FEB 2026

Statutory declaration

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Son Ting Kueh @ Soon Ting Sing, being the director primarily responsible for the financial management of IKM Law Hieng Ding Foundation, do solemnly and sincerely declare that the financial statements set out on pages 10 to 25 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
SON TING KUEH @ SOON TING SING)
at Kuala Lumpur in Wilayah)
Persekutuan this 28 FEB 2026 w898)



SON TING KUEH @ SOON TING SING

Before me



SUITE 15-23A, WISMA ZELAN
NO.1, JALAN TEBIK PERMAISURI 2,
BANDAR TUN RAZAK, CHERAS,
56000, KUALA LUMPUR

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
IKM LAW HIENG DING FOUNDATION**

(Incorporated in Malaysia)
Company No : 202001034123 (1390444 A)

Report on the Financial Statements

Opinion

We have audited the financial statements of IKM Law Hieng Ding Foundation, which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income and expenditure, statement of changes in general fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 25.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, 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 Foundation 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' International Code of Ethics for Professional Accountants (including International Independence Standards) ("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 Foundation are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Foundation and our auditors' report thereon.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
IKM LAW HIENG DING FOUNDATION (CONTD.)**

(Incorporated in Malaysia)
Company No : 202001034123 (1390444 A)

Information Other than the Financial Statements and Auditors' Report Thereon (contd.)

In connection with our audit of the financial statements of the Foundation, 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 Foundation 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 Foundation are responsible for the preparation of financial statements of the Foundation that give a true and fair view in accordance with Malaysian Financial Reporting Standards, 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 Foundation that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Foundation, the directors are responsible for assessing the Foundation'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 either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Foundation 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
IKM LAW HIENG DING FOUNDATION (CONTD.)**

(Incorporated in Malaysia)
Company No : 202001034123 (1390444 A)

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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Foundation, 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 of the Foundation'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 on the Foundation'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 Foundation or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Foundation, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
IKM LAW HIENG DING FOUNDATION (CONTD.)

(Incorporated in Malaysia)
Company No : 202001034123 (1390444 A)

Other Matters

This report is made solely to the members of the Foundation, 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.



S P TAN & SUNDAR
AF No : 1527
Chartered Accountants



LEONG WAI LENG
2898/03/27(J)
Chartered Accountant

Dated : 28 FEB 2026

Kuala Lumpur

**Statement of financial position
as at 31 December 2025**

	<i>Note</i>	2025 RM	2024 RM
ASSETS			
Non current assets			
Plant and equipment	6	<u>3,124</u>	<u>3,729</u>
Current assets			
Current tax assets		26,445	26,394
Cash and cash equivalents	7	<u>1,065,679</u>	<u>1,071,414</u>
Total current assets		<u>1,092,124</u>	<u>1,097,808</u>
Total Assets		<u>1,095,248</u>	<u>1,101,537</u>
FUNDS AND LIABILITIES			
General fund			
Initial funds from contributors	8	1,000,000	1,000,000
Accumulated surplus		<u>92,048</u>	<u>98,337</u>
Total accumulated fund		<u>1,092,048</u>	<u>1,098,337</u>
Current liabilities			
Other payables	9	<u>3,200</u>	<u>3,200</u>
Total current liabilities		<u>3,200</u>	<u>3,200</u>
Total Funds and Liabilities		<u>1,095,248</u>	<u>1,101,537</u>

The annexed notes form an integral part of these financial statements.

**Statement of comprehensive income and expenditure
for the year ended 31 December 2025**

	<i>Note</i>	2025 RM	2024 RM
INCOME			
Interest from fixed deposits		26,997	28,770
Total income		<u>26,997</u>	<u>28,770</u>
LESS : EXPENDITURE			
Audit fee		3,200	3,200
Bank charges		15	16
Depreciation		605	605
Inventories written-off		-	3,500
Printing		1,080	1,062
Professional fee and expenses		1,500	1,500
Secretarial fee and expenses		4,383	3,822
Sponsorship		21,370	5,000
Sundry expenses		591	574
Travelling expenses		179	-
		<u>32,923</u>	<u>19,279</u>
(Deficit)/Excess of income over expenditure before taxation		(5,926)	9,491
Taxation	10	(363)	4,440
(Deficit)/Excess of income over expenditure		<u>(6,289)</u>	<u>13,931</u>

The annexed notes form an integral part of these financial statements.

**Statement of changes in general fund
for the year ended 31 December 2025**

	<i>Initial contributors' funds RM</i>	<i>Accumulated surplus RM</i>	<i>Total RM</i>
Balance at 31 December 2023	1,000,000	84,406	1,084,406
Excess of income over expenditure for the year	-	13,931	13,931
Balance at 31 December 2024	<u>1,000,000</u>	<u>98,337</u>	<u>1,098,337</u>
Deficit of income over expenditure for the year	-	(6,289)	(6,289)
Balance at 31 December 2025	<u>1,000,000</u>	<u>92,048</u>	<u>1,092,048</u>

The annexed notes form an integral part of these financial statements.

Statement of cash flows
for the year ended 31 December 2025

	2025	2024
	RM	RM
Cash flows from operating activities		
(Deficit)/Excess of income over expenditure before taxation	(5,926)	9,491
Adjustments for :-		
Depreciation of plant and equipment	605	605
Inventories written off	-	3,500
Interest income	(26,997)	(28,770)
Operating loss before working capital changes	<u>(32,318)</u>	<u>(15,174)</u>
Payables	-	(50,000)
Cash outflow from operations	<u>(32,318)</u>	<u>(65,174)</u>
Tax paid	(414)	(4,500)
Net cash outflow from operating activities	<u>(32,732)</u>	<u>(69,674)</u>
Cash flows from investing activities		
Interest received	<u>26,997</u>	<u>28,770</u>
Withdrawal of deposits with maturity of 90 days or more	<u>-</u>	<u>100,000</u>
Net cash inflow from investing activities	26,997	128,770
Cash flows from financing activities	-	-
Net (decrease)/ increase in cash and cash equivalents	<u>(5,735)</u>	<u>59,096</u>
Cash and cash equivalents at beginning of year	71,414	12,318
Cash and cash equivalents at end of year (Note 7)	<u><u>65,679</u></u>	<u><u>71,414</u></u>

The annexed notes form an integral part of these financial statements.

**Notes to the financial statements
for the year ended 31 December 2025**

1. General information

The principal activities of the Foundation are to promote public awareness, understanding and appreciation of chemistry and the chemistry profession; chemistry education in schools and universities; chemistry as a profession and career in Malaysia and the advancement of chemistry in Malaysia. There is no significant change in the principal activities of the Foundation during the financial year under review.

The registered office of the Company is located at Suite 12B-23 Level 12B, Wisma Zelan, No. 1, Jalan Tasik Permaisuri 2, Bandar Tun Razak, Cheras, 56000 Kuala Lumpur and its principal place of business is located at 127B, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.

The financial statements of the Foundation are presented in Ringgit Malaysia (RM) which is also the functional currency of the Foundation.

The financial statements were authorised for issue by the Board of Directors on 28 February 2026.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") as issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Foundation have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of these financial statements in conformity with MFRSs and IFRSs requires the directors to make estimates and assumptions that affect the reported amounts to assets, liabilities, revenue and expenses and disclosure of contingent liabilities. In addition, the directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 4 to the financial statements. Although these estimates and assumptions are based on the directors' best knowledge of events and actions, actual results could differ from those estimates.

2. Basis of preparation (contd.)

2.1 Adoption of new and amended standards

During the financial year, the Foundation has adopted the following new MFRSs, new interpretations and amendments to MFRSs issued by the Malaysian Accounting Standards Boards that are mandatory for the current financial year :-

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

The adoption of the new and amendments to MFRSs did not have any significant impact on the financial statements of the Foundation.

2.2 Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following accounting standards and amendments of the MFRSs that have been issued by the Malaysian Accounting Standard Board but have not been adopted by the Foundation :-

Effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosure – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9 and 7, *Contracts Referencing Nature-dependent Electricity*

Effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *Translation to a Hyperinflationary Presentation Currency*

2. Basis of preparation (contd.)

2.2 Standard issued but not yet effective (contd.)

Effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10 and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The adoption of the above accounting standards and amendments to accounting standards are either not applicable or not expected to have any significant impact to the financial statements of the Foundation upon their initial application.

3. Summary of principal accounting policies

These principal accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements, unless otherwise stated.

(a) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The carrying amount of the replaced part is derecognised and all repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

Plant and equipment are depreciated on a straight-line basis to write down the cost or valuation of each asset to their residual values over their estimated useful life. The principal annual depreciation rate is:

Furniture and fixtures	10%
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The assets' residual values and useful life are reviewed, adjusted if appropriate, annually.

The carrying amount of an item of plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

3. Summary of principal accounting policies (contd.)

(b) *Financial assets*

The Foundation classifies its financial assets at amortised cost when the asset is held within an entity model with the objective to collect contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets of the Foundation which fall under this category are other receivables and cash and cash equivalents.

At initial recognition, the Foundation measures a financial asset at its fair value, plus transaction costs that are directly attributable to the acquisition of the financial asset for an item that is not at fair values through profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method.

Financial assets are classified as current assets for those having maturity dates of less than 12 months after the reporting date, and the balance is classified as non-current.

A financial asset is derecognised when the risks and rewards relating to the financial asset have expired or had been fully transferred or had been partially transferred with no control over the same. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received is recognised in profit or loss.

(c) *Financial liabilities*

The Foundation's financial liabilities are categorized as other financial liabilities and are recognised initially at amortised cost using the effective interest method. Amortisation is charged to profit or loss.

Financial liabilities are classified as current liabilities for those having maturity dates of less than 12 months after the reporting date, and the balance is classified as non-current.

A financial liability is derecognised when the obligation specified in the contract is either discharged, cancelled or has expired. 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. Summary of principal accounting policies (contd.)

(d) Impairment

The Foundation recognises an allowance for expected credit loss (“ECL”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Foundation expects to receive, discounted at an approximation of the original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, no impairment loss has been identified.

(e) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include deposits held at call with banks and other short term investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(f) Taxation

(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.

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.

3. Summary of principal accounting policies (contd.)

(f) Taxation (contd.)

(ii) Deferred tax (contd.)

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. Summary of principal accounting policies (contd.)

(g) Revenue recognition

Interest from fixed deposits is recognised on the maturity basis in accordance with the terms of the deposits.

Donation received from Institut Kimia Malaysia is recognised in the statement of comprehensive income and expenditure when the Foundation is entitled to the donation.

4. Critical accounting estimates and judgement in applying accounting policies

The preparation of financial statements in conformity with MFRSs and IFRSs requires the use of certain critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. The directors exercise their judgement in the process of applying the Foundation's accounting policies. Estimates and assumptions are based on the directors' best knowledge of current events. Such estimates and judgement could change from period to period and have a material impact on the results, financial position, cash flows and other disclosures.

There are no significant arrears of estimation uncertainty and critical judgements in applying accounting policies that have significant affect on the amounts recognised in the financial statements.

5. Financial risk management and capital management

a) Financial risk management

The Foundation's financial risk management policy seeks to ensure that adequate financial resources are available for the achievement of the Foundation's objectives and principal activities whilst minimizing the potential adverse impact arising from fluctuation in interest rate risk and liquidity risk.

Information on the management of the related exposures to the respective financial risks is detailed below:

5. Financial risk management and capital management (contd.)

a) Financial risk management (contd.)

Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rates exposures arise from deposits placed with licensed banks and other financial institutions which are short term in nature and earn market interest rates.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulties in meeting its financial obligations due to insufficient funds. The Foundation maintains sufficient cash and cash equivalents to enable it to meet its operational obligations when they fall due.

Fair value of the financial instruments

The carrying amounts of the financial assets and liabilities as at end of reporting period approximated their fair values.

b) Capital risk management

The Foundation considers its general funds as its capital. As at 31 December 2025, the Foundation is not exposed to any capital risk as there are no outstanding borrowings made with any financial institutions nor related companies.

6. Plant and equipment

	<i>As at</i>		<i>Balance</i>
2025	01.01.2025	<i>Additions</i>	<i>as at</i>
At cost	RM	RM	RM
Furniture and fittings	6,045	-	6,045

	<i>As at</i>		<i>Balance</i>
	01.01.2025	<i>Charge for</i>	<i>as at</i>
	RM	<i>the year</i>	31.12.2025
	RM	RM	RM
Accumulated depreciation			
Furniture and fittings	2,316	605	2,921

			<i>Balance</i>
			<i>as at</i>
			31.12.2025
Net carrying amount			
Furniture and fittings			3,124

	<i>As at</i>		<i>Balance</i>
2024	01.01.2024	<i>Additions</i>	<i>as at</i>
At cost	RM	RM	RM
Furniture and fittings	6,045	-	6,045

	<i>As at</i>		<i>Balance</i>
	01.01.2024	<i>Charge for</i>	<i>as at</i>
	RM	<i>the year</i>	31.12.2024
	RM	RM	RM
Accumulated depreciation			
Furniture and fittings	1,711	605	2,316

			<i>Balance</i>
			<i>as at</i>
			31.12.2024
Net carrying amount			
Furniture and fittings			3,729

7. Cash and cash equivalents

The components of cash and cash equivalents consist of:

	2025	2024
	<i>RM</i>	<i>RM</i>
Bank balance	56,429	62,164
Fixed deposits placed with licensed banks	1,009,250	1,009,250
Cash and cash equivalents as per statement of financial position	1,065,679	1,071,414
Less : Deposits with maturity of 90 days or more	(1,000,000)	(1,000,000)
Cash and cash equivalents as per statement of cash flows	65,679	71,414

8. Initial funds from contributors

As a requirement under the guidelines of the Companies Commission of Malaysia, a company limited by guarantee (“CLBG”) which desires to omit the word “Berhad” from its name, is required to obtain an initial fund of at least RM1 million prior to its incorporation. This fund is to ensure that the CLBG will be able to carry out its objectives as soon as it is incorporated and to sustain its operations for at least 2 years.

9. Other payables

	2025	2024
	<i>RM</i>	<i>RM</i>
Accruals	3,200	3,200

All short term payables are measured at undiscounted amounts because the effects of discounting is immaterial.

10. Taxation

	2025	2024
	RM	RM
Malaysian income tax		
- Current year	320	370
- Previous year	43	(4,810)
	<u>363</u>	<u>(4,440)</u>

The significant differences between the tax expense and accounting (loss)/profit multiplied by the statutory tax rate are due to the tax effects arising from the following items:

(Deficit)/Excess of income over expenditure before taxation	<u>(5,926)</u>	<u>9,491</u>
Tax calculated at the Malaysian statutory tax rate	(1,422)	2,278
Tax effects of non-deductible expenses	7,578	4,282
Income tax - Previous year	43	(4,810)
Differential due to tax at scale rates	<u>(5,836)</u>	<u>(6,190)</u>
	<u>363</u>	<u>(4,440)</u>

11. Related party disclosures

(a) Transactions with related parties

As stipulated in Clause 19 of the Foundation's Constitution, the members of Institut Kimia Malaysia shall automatically become members of the Foundation.

The Foundation considers transactions with Institut Kimia Malaysia or its members as related party transactions. The following are related party transactions during the year :

11. Related party disclosures (contd.)

(a) Transactions with related parties (contd.)

	2025 RM	2024 RM
<u>Institut Kimia Malaysia</u>		
Sponsorship	(17,120)	(5,000)
Repayment during the year	<u>-</u>	<u>50,000</u>

(b) Key management personnel compensation

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director of the Foundation.

No compensation has been paid to key management personnel during the year.

12. Financial instruments by category

Financial assets and liabilities are categorised as follows :

	2025 RM	2024 RM
Financial assets		
Financial assets measured at amortised cost		
Cash and cash equivalents	<u>1,065,679</u>	<u>1,071,414</u>
Financial liabilities		
Financial liabilities measured at amortised cost		
Other payables	<u>3,200</u>	<u>3,200</u>