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YAYASAN GENERASI GEMILANG
(1121213 – V)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

TRUSTEES' REPORT

The trustees of Yayasan Generasi Gemilang ("the Yayasan") hereby submit their report together with the audited financial statements of the Yayasan for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activities of the Yayasan are to receive and administer funds for educational, charitable purposes and for the welfare of the public. There have been no significant changes in the nature of these principal activities during the financial year.

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

RESULTS

	2017 RM
Surplus for the financial year	-

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Yayasan were prepared, the trustees took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts and that no allowance needs to be made for doubtful debts.

At the date of this report, the trustees are not aware of any circumstances which would require the writing off of bad debts or to make any allowance for doubtful debts in the financial statements of the Yayasan.

CURRENT ASSETS

Before the financial statements of the Yayasan were prepared, the trustees took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Yayasan had been written down to an amount which they might be expected so to realise.

At the date of this report, the trustees are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Yayasan misleading.

VALUATION METHODS

At the date of this report, the trustees are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Yayasan misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

(i) any charge on the assets of the Yayasan which has arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) any contingent liabilities in respect of the Yayasan which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

At the date of this report, the trustees are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Yayasan which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the trustees,

(i) the results of the operations of the Yayasan for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) 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 the operations of the Yayasan for the financial year in which this report is made.

TRUSTEES

The trustees in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dr. Chew Weng Chee
Dr. Wong Sum Keong
Law Gin Kye
Noria Raja
Rodney Koh Ngiap Teik
Wong Koon Tatt

TRUSTEES' BENEFITS

Since the end of the previous financial year, no trustee of the Yayasan has received or become entitled to receive any benefit by reason of a contract made by the Yayasan or a related corporation with the trustee or with a firm of which the trustee is a member, or with a corporation in which the trustee has a substantial financial interest.

AUDITORS' REMUNERATION

The details of the auditors' remuneration are disclosed in Note 13 to the financial statements.

INDEMNITY TO AUDITORS

The Yayasan has agreed to indemnify the auditors of the Yayasan as permitted under Section 289 of the Companies Act 2016 in Malaysia.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

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

....

WONG KOON TATT
Chairman

....

RODNEY KOH NGIAP TEIK
Trustee

Kuala Lumpur

Date: 22 April 2018

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	2017 RM	2016 RM
ASSETS			
Non-current asset			
Equipment	5	46,032	81,815
Total non-current asset		46,032	81,815
Current assets			
Other receivables	6	172,030	196,756
Fixed deposits placed with licensed banks	7	68,970	393,103
Bank balances		1,289,663	499,266
Total current assets		1,530,663	1,089,125
TOTAL ASSETS		1,576,695	1,170,940
EQUITY AND LIABILITIES			
Equity			
Accumulated funds		-	-
Current liabilities			
Other payables	8	93,993	80,553
Deferred income	9	1,482,280	1,090,299
Current tax liabilities		422	88
Total current liabilities		1,576,695	1,170,940
TOTAL LIABILITIES		1,576,695	1,170,940
TOTAL EQUITY AND LIABILITIES		1,576,695	1,170,940

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

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 RM	2016 RM
Income	10	3,830,780	3,375,960
Other income	11	25,415	13,785
Expenses	12	(3,855,773)	(3,388,752)
Surplus before tax	13	422	993
Income tax expense	14	(422)	(993)
Surplus for the financial year		-	-

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

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Accumulated funds RM
At 1 January 2016	-
Surplus for the financial year	-
At 31 December 2016	-
Surplus for the financial year	-
At 31 December 2017	-

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

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	2017 RM	2016 RM
Cash flows from operating activities		
Surplus before tax	422	993
Adjustments for:		
Interest income	(15,499)	(6,303)
Amortisation of deferred income	(2,016,280)	(1,704,411)
Loss on disposal of equipment	54	-
Depreciation on equipment	46,441	43,195
Operating loss before working capital changes	(1,984,862)	(1,666,526)
Changes in working capital:		
Receivables	24,726	40,486
Payables	13,440	(48,374)
Deferred income	2,408,261	1,886,106
Net cash generated from operations	461,565	211,692
Income tax paid	(88)	(905)
Net cash from operating activities	461,477	210,787
Cash flows from investing activities		
Interest received	15,499	-
Purchase of equipment	(11,523)	(22,795)
Uplift/(Placement) of fixed deposits placed with licensed banks	393,103	(386,800)
Proceeds from disposal of equipment	811	-
Net cash from/(used in) investing activities	397,890	(409,595)
Net increase/(decrease) in cash and cash equivalents	859,367	(198,808)
Cash and cash equivalents at the beginning of the financial year	499,266	698,074
Cash and cash equivalents at the end of the financial year	1,358,633	499,266
Analysis of cash and cash equivalents:		
Bank balances	1,289,663	499,266
Fixed deposits placed with licensed banks maturing less than 3 months	68,970	-
	1,358,633	499,266

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

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Yayasan Generasi Gemilang ("the Yayasan") is incorporated and domiciled in Malaysia as a Yayasan limited by guarantee and does not have a share capital.

The registered office of the Yayasan is located at 308, Block A (3rd Floor), Kelana Business Centre, 97, Jalan SS7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Yayasan is located at 82A-1, Jalan PJU 1/3B, Sunwaymas Commercial Centre, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Yayasan are to receive and administer funds for educational, charitable purposes and for the welfare of the public. There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Trustees in accordance with a resolution of the trustees on 22 April 2018.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Adoption of amendments/improvements to MFRSs

The Yayasan had adopted the following amendments/improvements to MFRSs that are mandatory for the current financial year:

Amendments/Improvements to MFRSs	
MFRS 12	Disclosure of Interests in Other Entities
MFRS 107	Statement of Cash Flows
MFRS 112	Income Taxes

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Yayasan, and did not result in significant changes to the Yayasan's existing accounting policies, except for those as discussed below.

2. BASIS OF PREPARATION (CONTINUED)

2.2 Adoption of amendments/improvements to MFRSs (Continued)

Amendments to MFRS 107 Statement of Cash Flows

Amendments to MFRS 107 require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

2.3 New MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective

The Yayasan has not adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Int that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of MFRSs	1 January 2018
MFRS 2	Share-based Payment	1 January 2018
MFRS 3	Business Combinations	1 January 2019
MFRS 4	Insurance Contracts	1 January 2018
MFRS 9	Financial Instruments	1 January 2019
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 11	Joint Arrangements	1 January 2019
MFRS 112	Income Taxes	1 January 2019
MFRS 119	Employee Benefits	1 January 2019
MFRS 123	Borrowing Costs	1 January 2019
MFRS 128	Investments in Associates and Joint Ventures	1 January 2018/ 1 January 2019/ Deferred
MFRS 140	Investment Property	1 January 2018
<u>New IC Int</u>		
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019

2. **BASIS OF PREPARATION (CONTINUED)**

2.3 **New MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (Continued)**

2.3.1 The Yayasan plans to adopt the above applicable new MFRSs, amendments/improvements to MFRSs and new IC Int when they become effective. A brief discussion on the above significant new MFRSs, amendments/improvements to MFRSs and new IC Int are summarised below.

MFRS 9 Financial Instruments

Key requirements of MFRS 9:

- MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

  In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statements of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statements of financial position.

- MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

- MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (Continued)

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

(i) identify the contracts with a customer;
(ii) identify the performance obligation in the contract;
(iii) determine the transaction price;
(iv) allocate the transaction price to the performance obligations in the contract; and
(v) recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15.

MFRS 111	Construction Contracts
MFRS 118	Revenue
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services

MFRS 16 Leases

Currently under MFRS 117 *Leases*, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from the finance leases.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position except for short-term and low value asset leases.

MFRS 17 Insurance Contracts

MFRS 17 introduces consistent accounting for all insurance contracts. MFRS 17 requires entities that issue insurance contracts to recognise and measure a group of insurance contracts at:

(i) a risk-adjusted present value of future cash flows that incorporates information that is consistent with observable market information; plus

(ii) an amount representing the unearned profit in the group of contracts.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (Continued)

MFRS 17 Insurance Contracts (Continued)

Profits from the group of insurance contracts are recognised over the insurance coverage period. In addition, insurance revenue is presented separately from insurance finance income or expenses.

For insurance contracts with coverage period of one year or less, MFRS 17 allows an entity to measure the amount relating to remaining service by allocating the premium over the coverage period.

Amendments to MFRS 1 First-time Adoption of MFRSs

Amendments to MFRS 1 deleted the short-term exemptions that relate to MFRS 7 *Financial Instruments: Disclosures*, MFRS 119 *Employee Benefits* and MFRS 10 *Consolidated Financial Statements* because they are no longer applicable.

Amendments to MFRS 2 Share-based Payment

Amendments to MFRS 2 provide specific guidance on the accounting for:

(i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
(ii) share-based payment transactions with a net settlement feature for withholding tax obligations; and
(iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

Amendments to MFRS 3 Business Combinations and MFRS 11 Joint Arrangements

Amendments to MFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. Amendments to MFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

Amendments to MFRS 4 Insurance Contracts

Amendments to MFRS 4 introduce two additional voluntary options, namely an overlay approach and a deferral approach to be applied subject to certain criteria being met, which help to address temporary volatility in reported results of entities dealing with insurance contracts. The overlay approach involves option to recognise the possible volatility in other comprehensive income, instead of profit or loss, whilst the deferral approach provides temporary exemption from applying the Standard on Financial Instruments for entities whose activities are predominantly connected with insurance.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (Continued)

Amendments to MFRS 9 Financial Instruments

Amendments to MFRS 9 allow companies to measure prepayable financial assets with negative compensation at amortised cost or at fair value through other comprehensive income if certain conditions are met.

The amendments also clarify that when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss should be recognised in profit or loss.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 112 Income Taxes

Amendments to MFRS 112 clarify that an entity recognises the income tax consequences of dividends in profit or loss because income tax consequences of dividends are linked more directly to past transactions than to distributions to owners, except if the tax arises from a transaction which is a business combination or is recognised in other comprehensive income or directly in equity.

Amendments to MFRS 119 Employee Benefits

Amendments to MFRS 119 require an entity to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement when the entity remeasures its net defined benefit liability (asset).

Amendments to MFRS 123 Borrowing Costs

Amendments to MFRS 123 clarify that when a qualifying asset is ready for its intended use or sale, an entity treats any outstanding borrowing made specifically to obtain that qualifying asset as part of general borrowings.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (Continued)

Amendments to MFRS 128 Investments in Associates and Joint Ventures

Amendments to MFRS 128 clarify that an entity, which is a venture capital organisation, or a mutual fund, unit trust or similar entities, has an investment-by-investment choice to measure its investments in associates or joint ventures at fair value through profit or loss.

The amendments also clarify that companies shall apply MFRS 9, including its impairment requirements, to account for long-term interests in an associate or joint venture that, in substance, form part of the net investment in the associate or joint to which the equity method is not applied.

Amendments to MFRS 140 Investment Property

Amendments to MFRS 140 clarify that to transfer to, or from, investment properties there must be evidence of a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition of investment property. A change in intention, in isolation, does not provide evidence of a change in use.

The amendments also clarify that the list of circumstances that evidence a change in use is not exhaustive.

IC Int 22 Foreign Currency Transactions and Advance Consideration

IC Int 22 clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

IC Int 23 Uncertainty over Income Tax Treatments

IC Int 23 clarifies that where there is uncertainty over income tax treatments, an entity shall:

(i) assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.

(ii) reflect the effect of uncertainty in determining the related tax position (using either the most likely amount or the expected value method) if it concludes it is not probable that the taxation authority will accept an uncertain tax treatment.

2.3.2 The Yayasan is currently performing a detailed analysis to determine the election of the practical expedients and to quantify the financial effects arising from the adoption of the new MFRSs, amendments/improvements to MFRSs and new IC Int.

2. BASIS OF PREPARATION (CONTINUED)

2.4 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Yayasan's functional currency, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Yayasan have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

2.6 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Yayasan's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The area involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements are disclosed in Note 4 to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been used consistently to all the financial years presented in financial statements of the Yayasan.

3.1 Equipment

(i) Recognition and measurement

Equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.4(ii) to the financial statements.

All items of equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Yayasan and the cost of the item can be reliably measured.

(ii) Subsequent costs

The cost of replacing a part of an item of equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Yayasan and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Equipment (Continued)

(iii) Depreciation

The equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives
Furniture & fittings	3 years
Office equipment	3 years
Office renovation	3 years

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

(iv) Derecognition

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3.2 Financial instruments

Financial instruments are recognised in the statement of financial position when, and only when, the Yayasan becomes a party to the contract provisions of the financial instruments.

When financial instruments are recognised initially, they are measured at fair value plus, in the case of financial instruments not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

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

(i) Financial assets

The Yayasan categorise the financial instruments as follows:

<u>Financial assets at fair value through profit or loss</u>

Financial assets are classified as fair value through profit or loss when the financial assets is either held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or it is designated into this category upon initial recognition.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whole fair values cannot be reliably measured are measured at costs.

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.2 **Financial instruments (Continued)**

(i) **Financial assets (Continued)**

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.4(i) to the financial statements. Gains and losses are recognised in profit or loss through the amortisation process.

(ii) **Financial liabilities**

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Derivatives that are linked to and must be settled by delivery of equity instruments that do not have a quoted price in an active market for identical instruments whose fair values otherwise cannot be reliably measured are measured at cost.

Other financial liabilities

Subsequent to initial recognition, other than financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process.

(iii) **Derecognition**

A financial asset is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset has expired or when control of the asset is no longer retained or when substantially all the risks and rewards of ownership of the financial asset have been transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) together with any cumulative gain or loss that had previously been recognised in other comprehensive income 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. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.2 **Financial instruments (Continued)**

(iv) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realised the assets and settle the liabilities simultaneously.

3.3 **Cash and cash equivalents**

Cash and cash equivalents consist of bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3.4 **Impairment of assets**

(i) **Impairment of financial assets**

At each reporting date, all financial assets (except for financial assets categorised as fair value through profit or loss) are assessed whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised.

Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Loans and receivables

The Yayasan first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If no objective evidence of impairment exists for an individually assessed financial asset, the Yayasan includes the financial asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Financial assets that were individually assessed for impairment and for which an impairment loss continues to be recognised are not included in a collective assessment of impairment.

The impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced through the use of an allowance account and the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been had the impairment not been recognised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Impairment of assets (Continued)

(i) Impairment of financial assets (Continued)

Loans and receivables (Continued)

A loan together with the associated allowance is written off when there is no realistic prospect of future recovery and all collaterals have been realised or has been transferred to the Yayasan. If a written off is later recovered, the recovery is credited to profit or loss.

(ii) Impairment of non-financial assets

The Yayasan assess at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to.

The recoverable amount of an asset is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or group of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or group of units and then, to reduce the carrying amount of the other assets in the unit or group of units on a pro-rata basis.

An impairment loss is recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.5 **Employee benefits**

(i) **Short-term employee benefits**

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Yayasan.

(ii) **Defined contribution plans**

As required by law, the Yayasan contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.6 **Income recognition**

Income is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount can be measured reliably.

(i) **Donations**

Donations, which include unconditional promises to give, are recognised when received or when the Yayasan's rights to receive payment are established.

Restricted donations are contributions received with donor-imposed conditions. These are recognised as income when the conditions have been met, over the periods on a systematic basis to match the expenses that it is intended to compensate when incurred. Amounts received in advance of satisfying the donor-imposed conditions are reported as deferred income until the conditions are met.

(ii) **Program contributions**

Program contributions are received with regards to programs and workshops conducted for schools, organisations and communities.

(iii) **Interest income**

Interest income is recognised on an accrual basis using effective interest method.

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

3.7 **Income tax**

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(i) **Current tax**

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the financial year, and any adjustment to tax payable in respect of previous financial years.

(ii) **Deferred tax**

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches, associates and interests in joint ventures, except where the Yayasan is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 the benefit of part or all of that deferred tax asset to be utilised. 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 utilised.

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 and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Income tax (Continued)

(ii) Deferred tax (Continued)

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

(iii) Goods and Service Tax

Revenues, expenses and assets are recognised net of goods and service tax ("GST") except:

- Where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST 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 inclusive of GST.

The net amount of GST refundable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.8 Deferred income

Deferred income includes amounts received for specific uses which the related expenditures have not been incurred. These amounts consist of corporate contributions and restricted donations.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amounts recognised in the financial statements include the following:

(i) Impairment of other receivables (Note 6)

The Yayasan assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Yayasan considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

5. EQUIPMENT

	Furniture & Fittings RM	Office Equipment RM	Office Renovation RM	Total RM
2017				
Cost				
At 1 January 2017	12,509	58,890	67,966	139,365
Additions	-	11,523	-	11,523
Disposal	-	(3,036)	-	(3,036)
At 31 December 2017	12,509	67,377	67,966	147,852
Accumulated depreciation				
At 1 January 2017	4,391	24,328	28,831	57,550
Depreciation for the financial year	4,128	19,884	22,429	46,441
Disposal	-	(2,171)	-	(2,171)
At 31 December 2017	8,519	42,041	51,260	101,820
Carrying amount				
At 1 January 2017	8,118	34,562	39,135	81,815
At 31 December 2017	3,990	25,336	16,706	46,032

6. OTHER RECEIVABLES

	2017 RM	2016 RM
Other receivables	93,152	100,261
Deposits	56,000	56,000
Prepayments	22,878	40,495
	172,030	196,756

7. FIXED DEPOSITS PLACED WITH LICENSED BANKS

Fixed deposits are made for a 3 months (2016: 6 months) period. The weighted average effective interest rate is 3.00% (2016: 3.25%) per annum.

8. OTHER PAYABLES

	2017 RM	2016 RM
Other payables	11,680	456
GST payable	15,047	16,324
Deposits	8,500	8,500
Accruals	58,766	55,273
	93,993	80,553

Other payables are interest-free and are normally settled on an average term of 30 days (2016: 30 days).

9. DEFERRED INCOME

	2017 RM	2016 RM
At 1 January	1,090,299	908,604
Received during the financial year	2,408,261	1,886,106
Recognised in profit or loss	(2,016,280)	(1,704,411)
At 31 December	1,482,280	1,090,299

Deferred income relates to corporate contributions and restricted donations received, where the conditions attached to the usage of the corporate contributions and donations are yet to be fulfilled as at the reporting date. These amounts will be recognised in profit and loss as and when expenses are incurred or, in some instances, refunded to the contributor should it remain unutilised.

10. INCOME

	2017 RM	2016 RM
Donations	3,503,888	3,025,563
Program contributions	326,892	350,397
	3,830,780	3,375,960

Donations consist of general and restricted donations received from individuals and from non-government entities including corporate bodies and non-profit organisations.

11. OTHER INCOME

	2017 RM	2016 RM
Interest income	15,499	6,303
Other income	9,916	7,482
	25,415	13,785

12. EXPENSES

	2017 RM	2016 RM
Charitable activities	3,214,860	2,647,265
Stakeholders relations management	171,030	163,815
Operating expenses	469,883	577,672
	3,855,773	3,388,752

13. SURPLUS BEFORE TAX

Surplus before tax have been arrived at after recognising:

	2017 RM	2016 RM
Auditors' remuneration		
- current year	8,250	6,000
- prior year	1,500	-
Depreciation on equipment	46,441	43,195
Office rental	169,200	168,800
Program expenses	1,182,177	632,981
Loss on disposal on equipment	54	-
Staff costs:		
- wages and salaries	1,998,453	2,064,455
- Employees' Provident Fund	249,992	257,798
- Socso	25,121	24,070
- other staff allowances	100,542	110,911

14. INCOME TAX EXPENSE

	2017 RM	2016 RM
Income tax		
- current year	422	88
- prior years	-	905
Tax expense	422	993

The Yayasan is treated under Section 53A of the Income Tax Act, 1967.

A reconciliation of income tax expense applicable to surplus before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Yayasan is as follows:

	2017 RM	2016 RM
Surplus before tax	422	993
Taxation at the applicable statutory tax rate of 0% to 28% (2016: 0% to 28%)	-	-
Tax effects arising from:		
- non-deductible expenses	1,031,690	907,501
- non-taxable income	(1,031,268)	(907,413)
- prior years	-	905
Income tax expense	422	993

15. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 to the financial statements describe how classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and financial liabilities in the statement of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis.

	Loans and receivables RM	Other finacial liabilities at amortised cost RM	Total RM
2017			
Financial assets			
Other receivables	172,030	-	172,030
Fixed deposits placed with licensed banks	68,970	-	68,970
Bank balances	1,289,663	-	1,289,663
	1,530,663	-	1,530,663
Financial liability			
Other payables*	-	78,946	78,946
2016			
Financial assets			
Other receivables	196,756	-	196,756
Fixed deposits placed with licensed banks	393,103	-	393,103
Cash and bank balances	499,266	-	499,266
	1,089,125	-	1,089,125
Financial liability			
Other payables*	-	64,229	64,229

** exclude GST payable*

(b) Financial risk management and objectives

The Yayasan's activities are exposed to a variety of financial risks, including credit risk, liquidity risk and interest rate risk. The Yayasan's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Yayasan.

Financial risk management is carried out through risk review, internal control systems and adherence to the Yayasan's financial risk management policies. The trustees regularly reviews these risks and approves the policies covering the management of these risks. The Yayasan does not trade in derivative instruments.

15. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management and objectives (Continued)

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Yayasan's exposure to credit risk arises from other receivables. For other financial assets (including fixed deposits placed with licensed banks and bank balances), the Yayasan minimises credit risk by dealing primarily with credible and established organisations. The management has a credit policy in place to monitor and minimise the exposure of default.

At the reporting date, the Yayasan's maximum exposure to credit risk is represented by the carrying amount of the other receivables and cash and bank balances.

(ii) Liquidity risk

Liquidity risk is the risk that the Yayasan will encounter difficulty in meeting financial obligations due to shortage of funds. The Yayasan's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Yayasan's objective is to maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements and to maintain available banking facilities at a reasonable level to its overall debt position.

<u>Analysis of financial instruments by remaining contractual maturities</u>

The table below summarises the maturity profile of the Yayasan's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Less than 1 year RM
2017	
Financial liability	
Other payables*	78,946
2016	
Financial liability	
Other payables*	64,229

**exclude GST payable*

15. **FINANCIAL INSTRUMENTS (CONTINUED)**

(b) **Financial risk management and objectives (Continued)**

(iii) **Interest rate risk**

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Yayasan's financial instruments as a result of changes in market interest rates. The Yayasan's exposure to interest rate risk arises primarily from its fixed deposits placed with licensed banks. The Yayasan places fixed deposits at competitive rates under the most favourable terms and conditions. As fixed deposits are subject to fixed rate and not accounted for at fair value through profit or loss, a change in the market interest rates would not affect the financial result for the financial year and the fund of the Yayasan.

(c) **Fair value of financial instruments**

The carrying amounts of bank balances, fixed deposits placed with licensed banks and short term receivables and payables are reasonable approximation of fair values due to short term nature of these financial instruments.

(d) **Fair value hierachy**

As the financial assets and liabilities of the Yayasan are not carried at fair value by any valuation method, the fair value hierarchy analysis is not presented.

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

STATEMENT BY TRUSTEE
Pursuant to Section 251(2) of the Companies Act 2016

We, **WONG KOON TATT** and **RODNEY KOH NGIAP TEIK**, being two of the trustees of the Yayasan, do hereby state that in the opinion of the trustees, the accompanying financial statements are drawn up in accordance with 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 Yayasan as at 31 December 2017 and of its financial performance and cash flows for the financial year then ended.

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

....
WONG KOON TATT
Chairman

....
RODNEY KOH NGIAP TEIK
Trustee

Kuala Lumpur

Date: 22 April 2018

YAYASAN GENERASI GEMILANG
(Incorporated in Malaysia)

STATUTORY DECLARATION
Pursuant to Section 251(1) of the Companies Act 2016

I, **NGIAM WEI-LI**, being the officer primarily responsible for the financial management of the Yayasan, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements are 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.

....
NGIAM WEI-LI

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 22 April 2018.

Before me,

PESURUHJAYA SUMPAH
W 725
ABDUL SHUKOR MD NOOR
1.10.2017-30.9.2018
MALAYSIA

....
Commissioner for Oaths

No. 66, Jalan Tun Perak
50050 Kuala Lumpur

BAKER TILLY

Baker Tilly Monteiro Heng
Chartered Accountants (AF0117)
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Malaysia

T : +603 2297 1000
F : +603 2282 9980

info@bakertillymh.com.my
www.bakertillymh.com.my

Company No. 1121213– V

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YAYASAN GENERASI GEMILANG ("THE YAYASAN")
(Incorporated in Malaysia)

Report on the Financial Statements

Opinion

We have audited the financial statements of Yayasan Generasi Gemilang ("the Yayasan"), which comprise the statement of financial position as at 31 December 2017 of the Yayasan, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Yayasan for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 29.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Yayasan as at 31 December 2017, and of its financial performance and cash flows for the financial 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 are independent of the Yayasan 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Company No. 1121213– V

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements of the Yayasan, our responsibility is to read the Trustees' Report and, in doing so, consider whether the Trustees' Report is materially inconsistent with the financial statements of the Yayasan 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees for the Financial Statements

The trustees of the Yayasan are responsible for the preparation of financial statements of the Yayasan 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 trustees are also responsible for such internal control as the trustees determine is necessary to enable the preparation of financial statements of the Yayasan that are free from material misstatement, whether due to fraud or error.

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

The trustees of the Yayasan are responsible for overseeing the Yayasan's financial reporting process

Auditors' Responsibilities for the Audit of the Financial Statements

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

Company No. 1121213– V

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

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 Yayasan, 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 Yayasan's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- conclude on the appropriateness of the trustees' 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 Yayasan'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 Yayasan 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 Yayasan to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Yayasan, including the disclosures, and whether the financial statements of the Yayasan represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees 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.

BAKER TILLY

Company No. 1121213– V

Other Matters

This report is made solely to the members of the Yayasan, 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 contents of this report.

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Dato' Lock Peng Kuan
No. 02819/10/2018 J
Chartered Accountant

Kuala Lumpur

Date: 22 April 2018