

THE CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
201501023371 (1148700 – X)

5th ANNUAL GENERAL MEETING ON 12TH AUGUST 2021

AGENDA 1:

ORDINARY BUSINESS

FOR INFORMATION: PRESENTATION OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

1. MOTION

The objective of this motion is to present and discuss the CIIF's Financial Statements for the financial year ended 31st December 2020. The field audit on the management accounts was conducted by Messrs PricewaterhouseCoopers on 5th April 2021 and completed on 17th May 2021.

The financial statements are as attached in Appendix 1.1.

2. RESOLUTION

As the provision of Section 340(1) (a) of the Companies Act 2016 ["CA 2016"] does not require the Members to formally approve the Audited Financial Statements, this item is for information only.

Registration No.

201501023371 (1148700-X)

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS

(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

CONTENTS	PAGE(S)
DIRECTORS' REPORT	1 – 4
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF COMPREHENSIVE INCOME	6
STATEMENT OF CHANGES IN ACCUMULATED FUNDS	7
STATEMENT OF CASH FLOWS	8 – 9
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	10 – 21
NOTES TO THE FINANCIAL STATEMENTS	22 – 38
STATEMENT BY THE DIRECTORS	39
STATUTORY DECLARATION	39
INDEPENDENT AUDITORS' REPORT	40 – 43

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The Directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 December 2020. To the best of their knowledge, the operations and business of the Company have been conducted in manners which are compliant with the Shariah principles.

PRINCIPAL ACTIVITIES

The principal activities of the Company, which was incorporated on 17 June 2015, are to develop, establish and issue, or collaborate in standards for Islamic finance development with respect to academic or professional qualifications by Islamic finance institutions. The Company also serves as common platform for Islamic finance professionals to express their concerns in the fields of Islamic finance.

FINANCIAL RESULTS

	RM
Net deficit for the financial year	<u>(2,501,904)</u>

DIRECTORS

The Directors who have held office during the financial year and during the period from the end of the financial year to the date of the report are:

YBhg. Dato' Badlisayah bin Abdul Ghani	CPIF	
Mr. Abdul Rahman bin Mohd Yusoff	CPIF	
Dr. Syed Adam Alhabshi	CPIF	
Mr. Wan Ahmad Najib bin Wan Ahmad Lotfi	CPIF	
Dr. Irum Saba	CPIF	
Professor Dr. Asmadi bin Mohamed Naim	CPIF	(Resigned on 15 July 2020)
Mr. Zafri bin Ab Halim	CPIF	(Resigned on 15 July 2020)
Ms. FoziaKhatoon binti Amanulla Khan	CPIF	
Mr. Masumi Hamahira	CPIF	
YBhg. Dato' Haji Syed Moheeb bin Dato' Syed Kamarulzaman	CPIF	
Ms. Azleena binti Idris	CPIF	(Resigned on 15 July 2020)
Mr. Elmie bin Dato' Haji Aman Najas	CPIF	
YBhg. Datuk Seri Ahmad Zaini Othman	CPIF	
Dr. Muhammad Md Husin	CPIF	
Dr. Ahcene Lahsasna	CPIF	(Appointed on 18 December 2020)
Dr. Siti Muawanah Lajis	CPIF	(Appointed on 18 December 2020)
Ms. Norashikin Kassim	CPIF	(Appointed on 18 December 2020)

ISSUES OF SHARES AND DEBENTURES

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

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2017, none of the Directors who held office at the end of the financial year held any share or debentures in the Company or its holding company or subsidiaries of the holding company during the financial year.

DIRECTORS' BENEFITS

At the end of the financial year, no Directors has received or become entitled to receive a benefit (other than the benefits shown under Directors' Remuneration) by reason of a contract made by the Company.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company during the financial year.

DIRECTORS' REMUNERATION

	RM
Directors' other emoluments	<u>25,900</u>

The Directors' were not given any indemnity or insurance by the Company.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that proper 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 all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

OTHER STATUTORY INFORMATION (CONTINUED)

- (b) At the date of this report, the Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Company misleading; or
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (c) At the date of this report:
 - (i) there are no charges on the assets of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and
 - (ii) there are no contingent liabilities in the Company which have arisen since the end of the financial year.
- (d) No contingent or other liability of any company 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 affect the ability of the Company to meet its obligations when they fall due.
- (e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the respective financial statements misleading.
- (f) In the opinion of the Directors:
 - (i) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

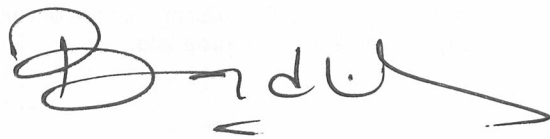
AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 17 to the financial statements.

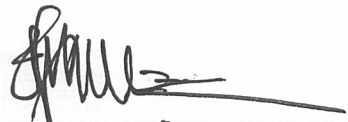
AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 28 May 2021. Signed on behalf of the Board of Directors:



DATO' BADLISYAH BIN ABDUL GHANI
DIRECTOR



ABDUL RAHMAN BIN MOHD YUSOFF
DIRECTOR

Kuala Lumpur
28 May 2021

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
NON-CURRENT ASSETS			
Property and equipment	2	746,101	268,856
Intangible assets	3	343,476	133,249
Right-of-use assets	4	295,240	458,134
		<u>1,384,817</u>	<u>860,239</u>
CURRENT ASSETS			
Cash and cash equivalents	5	3,781,099	5,574,285
Membership fee receivable	6	1,507	3,260
Programme fee receivable		169,641	1,570
Right-of-use assets	4	162,894	167,729
Other receivables, deposits and prepayments	7	95,795	125,886
		<u>4,210,936</u>	<u>5,872,730</u>
TOTAL ASSETS		<u>5,595,753</u>	<u>6,732,969</u>
CURRENT LIABILITIES			
Other liabilities	8	873,464	354,075
Programme fees received in advance	9	991,345	-
Lease liabilities	10	166,095	146,895
Provision for taxation	11	1,310	460
		<u>2,032,214</u>	<u>501,430</u>
NON-CURRENT LIABILITIES			
Term financing	12	3,943,311	3,673,812
Deferred grant	12	2,056,689	2,326,188
Lease liabilities	10	324,349	490,445
		<u>6,324,349</u>	<u>6,490,445</u>
TOTAL LIABILITIES		<u>8,356,563</u>	<u>6,991,875</u>
Net current assets		<u>2,178,722</u>	<u>5,371,300</u>
Net liabilities		<u>(2,760,810)</u>	<u>(258,906)</u>
Represented by:			
Accumulated deficit		<u>(2,760,810)</u>	<u>(258,906)</u>

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

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
Revenue	13	1,429,585	1,310,300
Other income	14	376,689	353,177
Staff costs	15	(1,730,301)	(1,158,740)
Administrative and general expenses	16	(129,224)	(84,010)
Other operating expenses	17	(1,998,057)	(2,312,795)
Total expenses		(3,857,582)	(3,555,545)
Allowance for impairment losses	6	(142,598)	(147,387)
Profit expense	18	(306,688)	(67,814)
Deficit before taxation		(2,500,594)	(2,107,269)
Taxation	11	(1,310)	(460)
Net deficit for the financial year		<u>(2,501,904)</u>	<u>(2,107,729)</u>

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

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	<u>Total</u> RM
<u>2020</u>	
As at 1 January 2020	(258,906)
Net deficit for the financial year	(2,501,904)
At 31 December 2020	<u>(2,760,810)</u>
<u>2019</u>	
As at 1 January 2019	1,848,823
Net deficit for the financial year	(2,107,729)
At 31 December 2019	<u>(258,906)</u>

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

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit before taxation		(2,500,594)	(2,107,269)
Adjustment for:			
Depreciation of property and equipment		170,853	20,211
Amortisation of intangible assets		57,648	8,151
Hibah from Wadiah account		(3,223)	(4,114)
Allowance for impairment losses		(132,273)	(147,388)
Profit income from fixed deposit		(33,488)	(24,533)
Profit expense on lease liabilities		37,189	3,368
Amortisation of deferred grant		(269,499)	64,446
Profit expense on term financing		269,499	(64,446)
Depreciation of right-of-use asset		167,729	77,843
Operating loss before changes in working capital		(2,236,159)	(2,173,731)
CASH FLOWS FROM OPERATING ACTIVITIES			
Decrease in membership fee receivable		134,026	212,106
Increase in programme fees receivable		(168,070)	-
Decrease/(increase) in other receivables, deposits and prepayments		30,091	(41,555)
Increase in rights-of-use asset		-	(703,706)
Increase in lease liabilities		-	688,707
Increase/(decrease) in membership fees received in advance		-	(14,615)
Increase/(decrease) in programme fees received in advance		991,345	-
Increase in other liabilities		519,389	108,080
Income tax paid		(460)	(890)
Net cash flows utilised in from operating activities		(729,839)	(1,925,604)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(648,098)	(248,058)
Purchase of intangible assets		(267,875)	-
Hibah from Wadiah account		3,223	4,114
Profit income fixed deposit		33,488	24,533
Net cash utilised in investing activities		(879,262)	(219,411)

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing received from STF-i	19	-	6,000,000
Repayment of principal portion of lease liabilities	19	(184,085)	(54,735)
Net cash (utilised in)/generated from financing activities		(184,085)	5,945,265
Net (decrease)/increase in cash and cash equivalents		(1,793,186)	3,800,250
Cash and cash equivalents as at 1 January		5,574,285	1,774,035
Cash and cash equivalents as at 31 December	5	3,781,099	5,574,285

A reconciliation of liabilities from financing activities to the statement of financial position and statement of cash flows are as follows:

<u>2020</u>	<u>Lease liabilities</u> RM	<u>Term financing</u> RM	<u>Deferred grant</u> RM	<u>Total</u> RM
As at 1 January 2020	637,340	3,673,812	2,326,188	6,637,340
Profit expense on lease liabilities	37,189	-	-	37,189
Profit expense on term financing	-	269,499	-	269,499
Amortisation of deferred grant	-	-	(269,499)	(269,499)
Repayment of principal portion of lease liabilities	(184,085)	-	-	(184,085)
As at 31 December 2020	490,444	3,943,311	2,056,689	6,490,444
<u>2019</u>	<u>Lease liabilities</u> RM	<u>Term financing</u> RM	<u>Deferred grant</u> RM	<u>Total</u> RM
As at 1 January 2019	47,849	-	-	47,849
Additions	640,858	-	-	640,858
Term financing at fair value on inception	-	3,609,366	-	3,609,366
Deferred grant	-	-	2,390,634	2,390,634
Profit expense on lease liabilities	3,368	-	-	3,368
Profit expense on term financing	-	64,446	-	64,446
Amortisation of deferred grant	-	-	(64,446)	(64,446)
Repayment of principal portion of lease liabilities	(54,735)	-	-	(54,735)
As at 31 December 2020	637,340	3,673,812	2,326,188	6,637,340

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

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Unless otherwise stated, the following significant accounting policies have been used consistently in dealing with items that are considered material in relation to the financial statements.

A BASIS OF PREPARATION

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

The financial statements of the Company have been prepared under the historical cost convention, unless otherwise indicated in this summary of significant accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. There are no critical accounting estimates and assumptions used that are significant to the financial statements.

Going concern

The Company is in an accumulated deficit and net liabilities position of RM2,760,810 (2019: RM258,906) as at 31 December 2020.

In view of the foregoing, the Directors have performed a cash flow projection and considered that the Company's operating cash flows from continuing operations will be sufficient to meet its obligation as and when they fall due over the next 12 months.

Therefore, the Directors consider it is appropriate to prepare the financial statements of the Company on a going concern basis and accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts of classification of liabilities that may be necessary if the going concern basis of preparing the financial statements of the Company is not appropriate. Assets and liabilities of the Company are recorded on the basis that the entity will be able to realise its assets and discharge its liabilities in the normal course of business.

(a) Standards and amendments to published standards and interpretations that are effective

The Company has applied the following standards and amendments for the first time for the financial year beginning on 1 January 2020. None of these have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods:

- The Conceptual Framework for Financial Reporting (Revised 2018) ("Framework")

The Framework was revised with the primary purpose to assist the Malaysian Accounting Standards Board ("MASB") to develop MFRS that are based on consistent concepts and enable preparers to develop consistent accounting policies where an issue is not addressed by an MFRS. The Framework is not an MFRS and does not override any MFRSs.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

A BASIS OF PREPARATION (CONTINUED)

(a) Standards and amendments to published standards and interpretations that are effective (continued)

The Company has applied the following standards and amendments for the first time for the financial year beginning on 1 January 2020: (continued)

- The Conceptual Framework for Financial Reporting (Revised 2018) ("Framework") (continued)

Key changes to the Framework are as follows:

- Objective of general-purpose financial reporting – clarification that the objective of financial reporting is to provide useful information to the users of financial statements for resource allocation decisions and assessment of management's stewardship.
- Qualitative characteristics of useful financial information – reinstatement of the concepts of prudence when making judgement of uncertain conditions and "substance over form" concept to ensure faithful representation of economic phenomenon.
- Clarification on reporting entity for financial reporting – introduction of new definition of a reporting entity, which might be a legal entity or a portion of a legal entity.
- Elements of financial statements – the definitions of an asset and a liability have been refined. Guidance in determining unit of account for assets and liabilities have been added, by considering the nature of executory contracts and substance of contracts.
- Recognition and derecognition – the probability threshold for asset or liability recognition has been removed. New guidance on de-recognition of asset and liability have been added.
- Measurement - explanation of factors to consider when selecting a measurement basis have been provided.
- Presentation and disclosure - clarification that statements of income is the primary source of information about an entity's financial performance for a reporting period. In principle, recycling of income/expense included in other comprehensive income to income statements is required if this results in more relevant information or a more faithful representation of statements of income.

Amendments to References to the Conceptual Framework in MFRS Standards

The MASB also issued Amendments to References to the Conceptual Framework in MFRS Standards ('Amendments'), to update references and quotations to fourteen (14) Standards so as to clarify the version of Conceptual Framework these Standards refer to, for which the effective date above applies. The amendments should be applied retrospectively in accordance with MFRS 108 unless retrospective application would be impracticable or involve undue cost or effort.

- Amendments to MFRS 101 and MFRS 108 "Definition of Material"

The amendments clarify the definition of materiality and use a consistent definition throughout MFRSs and the Conceptual Framework for Financial Reporting.

The definition of 'material' has been revised as "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

A BASIS OF PREPARATION (CONTINUED)

(a) Standards and amendments to published standards and interpretations that are effective (continued)

The Company has applied the following standards and amendments for the first time for the financial year beginning on 1 January 2020: (continued)

- Amendments to MFRS 101 and MFRS 108 "Definition of Material" (continued)

The amendments also:

- clarify that an entity assesses materiality in the context of the financial statements as a whole.
- explain the concept of obscuring information in the new definition. Information is obscured if it has the effect similar as omitting or misstating of that information. For example, material transaction is scattered throughout the financial statements, dissimilar items are inappropriately aggregated, or material information is hidden by immaterial information.
- clarify the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

The amendments shall be applied prospectively.

(b) Standards and amendments to published standards that have been issued but not yet effective

- (i) Effective from financial year beginning on or after 1 June 2020

- Amendments to MFRS 16 "COVID-19 Related Rent Concessions"

The amendment grants an optional exemption for lessees to account for a rent concession related to COVID-19 in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment in the period(s) in which the event or condition that triggers the reduced payment occurs. The amendment, however, do not make any changes to lessor accounting.

The exemption only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

The amendments are to be applied retrospectively.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

A BASIS OF PREPARATION (CONTINUED)

(b) Standards and amendments to published standards that have been issued but not yet effective (continued)

(i) Effective from financial year beginning on or after 1 June 2020 (continued)

- Amendments to MFRS 16 "COVID-19 Related Rent Concessions" (continued)

The Company has elected to early adopt the amendment for the first time in the financial statements for the financial year ended 31 December 2020; with the date of initial application at 1 January 2020, which resulted in changes in accounting policies as disclosed in Note (c) of the basis of preparation.

(ii) Effective from financial year beginning on or after 1 January 2022

- Amendments to MFRS 116 "Proceeds before Intended Use"

The amendments prohibit an entity from deducting from the cost of a property, plant and equipment ("PPE") the proceeds received from selling items produced by the PPE before it is ready for its intended use. The sales proceeds should instead be recognised in profit or loss.

- Annual Improvements to MFRSs 2018 – 2020 Cycle

Amendments to MFRS 16 "Leases" – Lease Incentives

The amendments removed the illustration on the reimbursement relating to leasehold improvements by the lessor to avoid potential confusion as the example had not explained clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in MFRS 16.

- Amendments to MFRS 137 "Onerous Contracts – Cost of Fulfilling a Contract"

The amendments clarify that direct cost of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts. The amendments also clarify that before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

The amendments shall be applied to contracts for which the entity has yet to fulfil all its obligations at the beginning of annual reporting period in which the amendments are first applied. Comparative information is not restated.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

A BASIS OF PREPARATION (CONTINUED)

(b) Standards and amendments to published standards that have been issued but not yet effective (continued)

(iii) Effective from financial year beginning on or after 1 January 2023

- Amendments on classification of liabilities as current or non-current (Amendments to MFRS 101)

The MFRS 101 classification principle requires an assessment of whether an entity has the substantive right to defer settlement of a liability at the end of the reporting period.

The amendments clarify that when the right to defer settlement is subject to complying with specified conditions, the right only exists at the end of the reporting period if the entity complies with those conditions at that date. The entity must comply with the conditions at the end of the reporting period even if the lender does not test compliance until a later date.

Also, classification is unaffected by the expectations of the entity or events after the reporting date (e.g. waiver obtained or breach of financing covenant).

In addition, the amendments clarify that when a liability could be settled by the transfer of an entity's own equity instruments (e.g. a conversion option in a convertible bond), the conversion option does not affect the classification of the convertible bond if the option meets the definition of an equity instrument in accordance with MFRS 132 "Financial Instruments: Presentation". Conversion option that is not an equity instrument should therefore be considered in the current or non-current classification of a convertible instrument.

These amendments should be applied retrospectively for annual periods beginning on or after 1 January 2023. Earlier application is permitted. If an entity applies those amendments for an earlier period, it should disclose that fact.

The above standards, amendments to published standards and interpretations to existing standards are not anticipated to have any significant impact on the financial statements of the Company in the year of initial application. All other new amendments to published standards and interpretations to existing standards issued by MASB effective for financial periods subsequent to 1 January 2021 are not relevant to the Company.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

A BASIS OF PREPARATION (CONTINUED)

(c) Changes in accounting policies

Early adoption of Amendments to MFRS 16 “Covid- 19 Related Rent Concessions”

The Company has elected to early adopt Amendments to MFRS 16 “Covid-19 Related Rent Concessions” for the first time in the financial statements for the financial year ended 31 December 2020; with the date of initial application at 1 January 2020, which resulted in changes in accounting policies.

In accordance with the transitional provisions provided in the amendments to MFRS 16, the comparative information for 2019 was not restated and continued to be reported under the previous accounting policies in accordance with the lease modification principles in MFRS 16.

Under the amendments to MFRS 16, the Company is not required to assess whether a rent concession that occurs as a direct consequence of Covid-19 pandemic and meets all of the specified conditions is a lease modification.

The Company accounts for such Covid-19 related rent concession as a variable lease payment in the period(s) in which the event or condition that triggers the reduced payment occurs. Refer to accounting policy L.

B PROPERTY, PLANT AND EQUIPMENT

Property and office equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight line basis so as to write off the cost of property and equipment over their estimated useful lives. The principal annual rates of depreciation used are as follows:

Office equipment	20%
Furniture and fittings	20%
Computers	33%
Renovations	20%

Depreciation on assets under construction commences when the assets are ready for their intended use.

At each date of the statement of financial position, the Company assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are charged / credited to the statement of comprehensive income.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

C INTANGIBLE ASSETS

i) Licenses, patents and trademarks

Separately acquired licenses, patents and trademarks are shown at historical cost. Trademarks and licenses acquired in a business combination are recognised at fair value at the acquisition date. Licenses, patents and trademarks have a finite useful life and are carried at cost less accumulated amortisation and accumulated losses. Amortisation is calculated using the straight-line method to allocate the cost of licences, patents and trademarks over their estimated useful lives of 10 years.

ii) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- (i) it is technically feasible to complete the software product so that it will be available for use or sale;
- (ii) management intends to complete the software product and use or sell it;
- (iii) there is an ability to use or sell the software product;
- (iv) it can be demonstrated how the software product will generate probable future economic benefits;
- (v) adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- (vi) the expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent period.

Capitalised development costs recognised as intangible assets are amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding 10 years.

D IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

E FINANCIAL ASSETS

(a) Classification

The Company classifies its financial assets at amortised cost. The classification depends on the purpose for which the financial assets were acquired.

The Company has classified cash and cash equivalents, membership fee receivable, programme fee receivable and other receivables and deposits as amortised cost.

(b) Recognition and de-recognition

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset for all financial assets not carried at fair value through profit or loss.

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

(b) Measurement

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset for all financial assets not carried at fair value through profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classified its debt instruments in the following measurement category.

(a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and profit ("SPPI") are measured at amortised cost. Profit income from these financial assets is recognised in the statement of comprehensive income using the effective profit rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of comprehensive income.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

E FINANCIAL ASSET (CONTINUED)

(c) Subsequent measurement – Impairment

Expected credit losses (“ECL”) are recognised for financial assets held at amortised cost. The Company applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all financial assets. The expected loss rates are based on the payment profiles of services rendered over a 56 months period before reporting date and the corresponding historical credit loss experienced within this period.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit-impaired.

F CASH AND CASH EQUIVALENTS

For the purpose of cash flow statements, cash and cash equivalents comprise cash on hand, deposits held at call with banks and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

G FINANCIAL LIABILITIES

Financial liabilities are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using effective profit method.

Financial liabilities of the Company comprise other payables and accruals, lease liabilities and term financing in the statement of financial position.

A financial liability is derecognised when they have been redeemed or otherwise extinguished.

H EMPLOYEE BENEFITS

Short term employee benefits

Short term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured at the amounts expected to be paid when the liabilities are settled and are expensed as the related service is provided.

Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employee Provident Fund (EPF). Such contribution is recognised as an expense in the statement of profit or loss as incurred.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

I INCOME RECOGNITION

Income as presented in the statement of comprehensive income is revenue as defined under MFRS 15 – Revenue from Contracts with Customers. The following accounting policies relate to the Company key income streams.

Membership fees are payable annually at the beginning of the financial year. As member simultaneously receives and consumes the benefits of goods and services as provided over twelve months, such revenue is amortised over time. Subscriptions relating to periods beyond the current financial year is recognised as subscriptions in advance under current liabilities in the statement of financial position.

Processing fees are recognised upon receipts of the fees.

Programme fees are recognised upon the delivery of the programmes and courses. Advanced payments received from programmes and courses are recognised as deferred income under current liabilities in the statement of financial position.

Fund from Staff Training Fund (STF-i) are recognised as other income in statement of comprehensive income when the right to receive payment is established.

Amortisation of deferred grant is recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the profit expense on the financing for which the grant is intended to compensate.

Other incomes are recorded as earned or as the services are performed.

J RECOGNITION OF PROFIT INCOME AND HIBAH

Income and hibah are recognised on deposits placements and current accounts using the effective profit method on an accrual basis.

K FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency.

L LEASES

(A) Right-of-use asset

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liabilities;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

L LEASES (continued)

(A) Right-of-use asset (continued)

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

(B) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Company under residual value guarantees;
- The exercise price of a purchase and extension options if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments are discounted using the profit rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and profit expense. The profit expense is charged to profit or loss over the lease period to produce a constant periodic rate of profit on the remaining balance of the liability for each period.

During the financial year, the Company elects to account for a Covid-19 related rent concession that meets all of the following conditions in the same way as they would if they were not lease modification:

- (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (ii) any reduction in lease payments affects only payments due on or before 30 June 2021; and
- (iii) there is no substantive change to other terms and conditions of the lease.

The Company accounts for such Covid-19 related rent concession as a variable lease payment in the period in which the event or condition that triggers the reduced payment occurs. The Company presents the impacts of rent concessions within profit or loss.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

L LEASES (continued)

Accounting policies applied until 31 December 2019

Until 31 December 2019, a change in lease payments, other than those arising from a change in amounts expected to be payable under residual value guarantees or in an index or rate used to determine lease payments, depends on whether that change meets the definition of a lease modification.

If a rent concession results from a lease modification, the Company accounts for the rent concession as either a new lease or as a remeasurement of an existing lease liability, depending on the criteria set in MFRS 16.

If a rent concession does not result from a lease modification, the Company accounts for the rent concession as a variable lease payment in the period in which the event or condition that triggers the reduced payment occurs.

M GOVERNMENT GRANT

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are recognised in profit or loss over the periods to match the related costs for which the grants are intended to compensate.

Government grants relating to the financing are presented as deferred government grants within non-current liabilities and credited to profit or loss on a straight-line basis to match the profit expense on the term financing for which the grant is intended to compensate.

N TERM FINANCING

Term Financing is recognised initially at fair value. It is subsequently carried at amortised cost. Refer to accounting policy G for recognition and measurement and derecognition. The benefit of the below-market rate of profit is measured as the difference between the initial carrying value of the term financing and the proceeds received, and is accounted for as a government grant.

O PROFIT EXPENSE

Profit expense on term financing is accreted over the contractual terms using effective profit rate (EIR) method.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

1 GENERAL INFORMATION

The Company is incorporated and domiciled in Malaysia as a company limited by guarantee, without share capital. The Company was incorporated on 17 June 2015.

The objects of the Company are to develop, establish and issue, or collaborate in standards for Islamic finance development with respect to academic or professional qualifications by Islamic finance institutions and related matters. The Company also serves as common platform for Islamic finance professionals to express their concerns in the fields of Islamic finance.

There were no significant changes in these activities during the financial year.

The address of the registered office of the Company is Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur. The address of principal place of business of the Company is B01-A-06-1, Level 6, Menara 2, KL Eco City, No. 3, Jalan Bangsar, 59200 Kuala Lumpur.

The financial statements were approved by the Grand Council on 28 May 2021.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

2 PROPERTY & EQUIPMENT

	Office equipment RM	Furniture and fittings RM	Computers RM	Renovations RM	Work-in- progress* RM	Total RM
<u>2020</u>						
<u>Cost</u>						
As at 1 January 2020	19,377	39,284	15,869	41,643	248,058	364,231
Additions	5,799	12,870	4,897	6,870	617,662	648,098
Reclassification	127,110	315,340	-	423,270	(865,720)	-
As at 31 December 2020	152,286	367,494	20,766	471,783	-	1,012,329
<u>Accumulated depreciation</u>						
As at 1 January 2020	15,022	31,181	15,858	33,314	-	95,375
Charge for the financial year	26,099	62,537	540	81,677	-	170,853
As at 31 December 2020	41,121	93,718	16,398	114,991	-	266,228

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

2 PROPERTY & EQUIPMENT (CONTINUED)

<u>2020</u>	<u>Office equipment</u> RM	<u>Furniture and fittings</u> RM	<u>Computers</u> RM	<u>Renovations</u> RM	<u>Work-in- progress*</u> RM	<u>Total</u> RM
<u>Net book value</u>						
As at 31 December 2020	111,165	273,776	4,368	356,792	-	746,101

* This is in relation to the new office premise renovation cost. The cost will be accumulated under work-in-progress until the asset is completed and ready for use. At the end of the construction progress, it will be reclassified to other classes of property and equipment and depreciated over its useful life.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

2 PROPERTY & EQUIPMENT (CONTINUED)

	Office equipment RM	Furniture and fittings RM	Computers RM	Renovations RM	Work-in- progress* RM	Total RM
<u>2019</u>						
<u>Cost</u>						
As at 1 January 2019	19,377	39,284	15,869	41,643	-	116,173
Additions	-	-	-	-	248,058	248,058
As at 31 December 2019	<u>19,377</u>	<u>39,284</u>	<u>15,869</u>	<u>41,643</u>	<u>248,058</u>	<u>364,231</u>
<u>Accumulated depreciation</u>						
As at 1 January 2019	11,145	23,324	15,711	24,984	-	75,164
Charge for the financial year	3,877	7,857	147	8,330	-	20,211
As at 31 December 2019	<u>15,022</u>	<u>31,181</u>	<u>15,858</u>	<u>33,314</u>	<u>-</u>	<u>95,375</u>
<u>Net book value</u>						
As at 31 December 2019	<u>4,355</u>	<u>8,103</u>	<u>11</u>	<u>8,329</u>	<u>248,058</u>	<u>268,856</u>

* This is in relation to the new office premise renovation cost. The cost will be accumulated under work-in-progress until the asset is completed and ready for use. At the end of the construction progress, it will be reclassified to it will be reclassified to other classes of property and equipment and depreciated over its useful life.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

3 INTANGIBLE ASSETS

	<u>Trademark</u> RM	<u>Portal Website</u> RM	Total RM
<u>2020</u>			
<u>Cost</u>			
As at 1 January 2020	46,173	106,000	152,173
Additions	-	267,875	267,875
As at 31 December 2020	<u>46,173</u>	<u>373,875</u>	<u>420,048</u>
 <u>Accumulated amortisation</u>			
As at 1 January 2020	15,391	3,533	18,924
Charge for the financial year	4,617	53,031	57,648
As at 31 December 2020	<u>20,008</u>	<u>56,564</u>	<u>76,572</u>
 <u>Net book value</u>			
As at 31 December 2020	<u>26,165</u>	<u>317,311</u>	<u>343,476</u>
 <u>2019</u>			
<u>Cost</u>			
As at 1 January 2019	46,173	106,000	152,173
Additions	-	-	-
At 31 December 2019	<u>46,173</u>	<u>106,000</u>	<u>152,173</u>
 <u>Accumulated amortisation</u>			
As at 1 January 2019	10,773	-	10,773
Charge for the financial year	4,618	3,533	8,151
As at 31 December 2019	<u>15,391</u>	<u>3,533</u>	<u>18,924</u>
 <u>Net book value</u>			
As at 31 December 2019	<u>30,782</u>	<u>102,467</u>	<u>133,249</u>

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 RIGHT-OF-USE ASSETS

	Office premise RM	Office equipment RM	Total RM
<u>2020</u>			
<u>Cost</u>			
As at 1 January	671,544	32,162	703,706
As at 31 December	671,544	32,162	703,706
<u>Accumulated depreciation</u>			
As at 1 January	70,696	7,147	77,843
Charge for the financial year	157,008	10,721	167,729
As at 31 December	227,704	17,868	245,572
<u>Net book value</u>			
As at 31 December	443,840	14,294	458,134
Current	152,174	10,720	162,894
Non-current	291,666	3,574	295,240
As at 31 December	443,840	14,294	458,134
<u>2019</u>			
<u>Cost</u>			
As at 1 January	62,849	-	62,849
Additions	608,695	32,162	640,857
As at 31 December	671,544	32,162	703,706
<u>Accumulated depreciation</u>			
As at 1 January	-	-	-
Charge for the financial year	70,696	7,147	77,843
As at 31 December	70,696	7,147	77,843
<u>Net book value</u>			
As at 31 December	600,848	25,015	625,863
Current	157,008	10,721	167,729
Non-current	443,840	14,294	458,134
As at 31 December	600,848	25,015	625,863

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 CASH AND CASH EQUIVALENTS

	<u>2020</u> RM	<u>2019</u> RM
Cash in hand	492	250
Cash at bank	2,122,997	361,227
Fixed deposit	1,657,610	5,212,808
	<u>3,781,099</u>	<u>5,574,285</u>

The effective weighted average profit rate is 1.90% per annum (2019: 3.05% per annum) and the deposits have a remaining maturity of 73 days (2019: 26 days).

6 MEMBERSHIP FEE RECEIVABLE

	<u>2020</u> RM	<u>2019</u> RM
Membership fees receivable	453,450	312,606
Allowance for impairment losses	(451,943)	(309,346)
	<u>1,507</u>	<u>3,260</u>

The carrying amounts approximate fair values at the date of the statement of financial position.

A reconciliation of the allowance for impairment is as follows:

	<u>2020</u> RM	<u>2019</u> RM
As at 1 January	(309,345)	(161,957)
Allowance made during the financial year	(142,598)	(147,388)
As at 31 December	<u>(451,943)</u>	<u>(309,345)</u>

7 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<u>2020</u> RM	<u>2019</u> RM
Other receivables	9,624	6,620
Deposits	53,915	99,925
Prepayments	32,256	19,341
	<u>95,795</u>	<u>125,886</u>

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 OTHER LIABILITIES

	<u>2020</u> RM	<u>2019</u> RM
Other payables	52,477	245,459
Accruals	177,082	108,616
Sponsorship fees received in advance	643,905	-
	<u>873,464</u>	<u>354,075</u>

The sponsorship fees is received in advance from FWD Takaful Berhad ("FWD Takaful") for digitalisation of the Company's programme learning modules and enhancement of Learning Management System based on the collaboration agreement entered into between FWD Takaful and the Company on 20 July 2020.

9 PROGRAMME FEES RECEIVED IN ADVANCE

	<u>2020</u> RM	<u>2019</u> RM
Programme fees received in advance	991,345	-

Included in this balance is the programme fees received in advance from FWD Takaful amounted to RM 883,770 in relation to the corporate collaboration agreement. The collaboration involves FWD Takaful engaging the Company to support its talent development plan which includes certification of FWD Takaful talents, training for FWD Takaful leaders and scholarship for aspiring and underprivileged talents.

10 LEASE LIABILITIES

<u>2020</u>	<u>Office premise</u> RM	<u>Office equipment</u> RM	Total RM
Current lease liabilities	155,210	10,885	166,095
Non-current lease liabilities	320,546	3,803	324,349
	<u>475,756</u>	<u>14,688</u>	<u>490,444</u>
Profit expense during the financial year	35,752	1,437	37,189
Repayment of principal portion of lease liabilities	172,506	11,579	184,085

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 LEASE LIABILITIES (CONTINUED)

	Office premise RM	Office equipment RM	Total RM
<u>2019</u>			
Current lease liabilities	136,754	10,141	146,895
Non-current lease liabilities	475,755	14,690	490,445
	<u>612,509</u>	<u>24,831</u>	<u>637,340</u>
	Office premise RM	Office equipment RM	Total RM
<u>2019</u>			
Profit expense during the financial year	2,016	1,352	3,368
Repayment of principal portion of lease liabilities	46,051	8,684	54,735

During the financial year, as a result of Covid-19 pandemic, the Company has benefited from the waiver of lease payments as per schedule below.

Buildings

KL Eco City

Rebate period

1 February 2020 to 31 May 2020

The Company has applied the practical expedient to all rent concessions that meet the conditions of the amendments to MFRS 16.

The amount recognised in the Company's profit or loss to reflect changes in lease payments that arise from rent concession to which the Company has applied the practical expedient is RM19,933. The lease liability is reduced by RM19,933.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 TAXATION

	<u>2020</u> RM	<u>2019</u> RM
Income tax		
- current year tax	1,310	460

The numerical reconciliation between deficit before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Company is as follows:

	<u>2020</u> RM	<u>2019</u> RM
Deficit before taxation	(2,500,594)	(2,107,269)
Tax calculated at the Malaysian scaled tax rate of 1 – 28%	(24,956)	(21,023)
Tax effects of:		
Expenses not deductible for tax purposes	43,014	37,704
Income not subject to tax	(17,519)	(16,328)
Difference due to the use of scaled tax rates	771	107
Taxation	1,310	460

The Company was established for the purpose of setting professional standards to support the development of talents in the Islamic finance industry and not for commercial purposes. The activities carried out by the Company are solely for the pursuit of the interest of the members of the Company. Income arising from such activities for members is not subject to tax pursuant to Public Ruling 1/2015 – Club, Association or Similar Institution. All other income not related to members' activities are subject to tax at a scaled rate of 1% to 28% (2019: 1% to 28%).

On 28 February 2017, the Company applied to the Ministry of Finance ('MOF') for income tax exemption under Section 44(11C) of Income Tax Act 1967 on the donation received by the Company. On 18 April 2017, MOF in accordance with Section 44(11C) of Income Tax Act 1967 approved the application of CIIF activities being a project of national interest for a period of 5 years from 2017 to 2021.

On 13 June 2017, the Company applied to the Ministry of Finance ('MOF') for income tax exemption under Section 127(3A) of Income Tax Act 1967. On 20 July 2017, MOF in accordance with Section 127(3A) of Income Tax Act 1967 approved the application of exemption on all funds and donations received by the Company for a period of 5 years from 2018 to 2022.

No deferred tax has been recognised in respect of the temporary differences arising as based on management's estimates, the temporary differences will be reversed during the period of the tax exemption as described above.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 FINANCING AND GRANT

	<u>2020</u> RM	<u>2019</u> RM
Term financing	3,943,311	3,673,812
Deferred grant	2,056,689	2,326,188
	<u>6,000,000</u>	<u>6,000,000</u>

The Company has received a financing of RM6 million from STF-I in September 2019 for the benefit of the Islamic finance industry and enhancing the professionalisation of the Islamic finance practitioners. The financing will be repaid over a period of 5 years from the year 2024 onwards. As the term financing is granted at below market rate, the benefit of the below-market rate of profit is measured as the difference between the initial carrying value of the term financing and the proceeds received, and is accounted for as a government grant. The deferred grant is credited to the profit and loss on a straight-line basis to match the profit expense on the term financing for which the grant is intended to compensate.

13 REVENUE

	<u>2020</u> RM	<u>2019</u> RM
Membership fee	225,360	215,175
Processing fee	6,180	20,070
Programme fee received	1,198,045	1,075,055
	<u>1,429,585</u>	<u>1,310,300</u>

14 OTHER INCOME

	<u>2020</u> RM	<u>2019</u> RM
Loss on foreign exchange	(6)	(54)
Hibah from Wadiah account	3,223	4,114
Sundry income	14,390	2,009
Sponsorship for digitalisation of learning modules	56,095	-
Fund from Staff Training Fund (STF-i)	-	258,129
Profit income from fixed deposit	33,488	24,533
Amortisation of deferred grant (Note 12)	269,499	64,446
	<u>376,689</u>	<u>353,177</u>

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 STAFF COSTS

	<u>2020</u> RM	<u>2019</u> RM
Salary and bonus	1,499,764	991,354
SOCSSO contribution	10,266	7,085
EPF contribution	182,939	121,494
EIS contribution	1,174	810
Other employee benefits	36,158	37,997
	<u>1,730,301</u>	<u>1,158,740</u>

16 ADMINISTRATIVE AND GENERAL EXPENSES

	<u>2020</u> RM	<u>2019</u> RM
Accounting fee	14,760	15,159
Administration fees	8,901	6,360
Electricity charges	15,618	2,117
Takaful	29,170	28,480
Secretarial fee	6,360	6,360
Telephone charges	53,069	7,115
Rental concession	(19,933)	-
Rental – short term lease	17,860	8,183
Website expenses	3,419	10,236
	<u>129,224</u>	<u>84,010</u>

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 OTHER OPERATING EXPENSES

	2020 RM	2019 RM
Advertisement, event and promotional expenses	8,210	284,434
Amortisation of intangible assets	57,648	8,151
Bank charges	2,231	331
CPIF module development	721,640	494,638
CIIF Standards & Guidelines	-	3,949
Depreciation of property and equipment	170,853	20,211
Donation, gift and sponsorship	-	17,552
Entertainment	59	3,145
Fine and penalty	30	311
Filing fee	700	700
License fee	-	1,419
Merchant transaction fee	534	360
Meeting expenses	187	25,794
Newspaper and periodical	90	870
Printing and stationery	17,442	23,115
Postage and courier charges	5,677	2,030
Petrol, parking and toll fee	12,794	14,355
Professional fee	151,481	447,091
Programme fee cost	639,143	750,551
Auditors remuneration	14,098	11,885
Stamp duty	150	2,440
Seminar and training	5,194	45,398
Travelling and accommodation expenses	1,317	35,240
Upkeep of office	8,641	2,622
Upkeep of office equipment	4,117	8,902
Wages	-	2,640
Trademark expenses	4,388	26,818
Depreciation of rights-of-use assets	167,729	77,843
Subscription fee	3,704	-
	<u>1,998,057</u>	<u>2,312,795</u>

18 PROFIT EXPENSE

	2020 RM	2019 RM
Profit expense on lease liabilities (Note 10)	37,189	3,368
Profit expense on term financing (Note 12)	269,499	64,446
	<u>306,688</u>	<u>67,814</u>

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 FINANCIAL RISK MANAGEMENT

The Company does not face significant exposure to financial risks except credit risk, liquidity risk and market risk.

(a) Credit risk

Credit risk is the risk of loss due to failure of counter party, members required to meet its financial obligations due to the Company.

The analysis of credit risk includes only financial assets subject to credit risk. They exclude non-financial assets.

The Company has no significant concentrations of credit risk. Credit risk arises from membership fee receivables, other receivables and deposits, and cash and cash equivalents.

For financial assets recognised in the statement of financial position, the maximum exposure to credit risk equals their carrying amount as at 31 December 2020.

The Company's maximum exposure to credit risk by class of financial asset is as follows:

	<u>2020</u> RM	<u>2019</u> RM
Cash and cash equivalents*	3,780,607	5,574,035
Membership fee receivable	1,507	3,260
Programme fee receivable	169,641	-
Other receivables and deposits^	63,539	108,115
	<u>4,015,294</u>	<u>5,685,410</u>

The following have been excluded for the purpose of maximum credit risk exposure calculation:

* Cash in hand

^ Prepayments

The credit risk concentrations of the Company by industry as at the statement of financial position date are set out in the following table:

	<u>Financial institutions</u> RM	<u>Others</u> RM
<u>As at 31 December 2020</u>		
Cash and cash equivalents	3,780,607	-
Membership fee receivable	-	1,507
Programme fee receivable	-	169,641
Other receivables and deposits	-	63,539
	<u>3,780,607</u>	<u>234,687</u>

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

	Financial institutions RM	Others RM
<u>As at 31 December 2019</u>		
Cash and cash equivalents	5,574,035	-
Membership fee receivable	-	3,260
Other receivables, deposits and prepayments	-	108,115
	<u>5,574,035</u>	<u>111,375</u>

All the financial assets of the Company are neither past due nor impaired. Cash and cash equivalents are placed with financial institutions rated AAA. All other financial assets are not rated.

(b) Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations when they fall due, or will have to do it at excessive cost. The exposure to liquidity risk arises principally from its various payables, lease liabilities, financing and grant.

The Company maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due. The following table presents the cash outflows for the Company's financial liabilities by remaining contractual maturities on an undiscounted basis.

	Less than 1 year	1 – 3 years	More than 3 years	Total
<u>As at 31 December 2020</u>				
<u>Financial liabilities</u>				
Other payables and accruals	229,559	-	-	229,559
Lease liabilities	195,581	356,530	-	552,111
Term financing	-	-	3,943,311	3,943,311
	<u>425,140</u>	<u>356,530</u>	<u>3,943,311</u>	<u>4,724,981</u>

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

	Less than 1 year	1 – 3 years	More than 3 years	Total
<u>As at 31 December 2019</u>				
<u>Financial liabilities</u>				
Other payables and accruals	354,075	-	-	354,075
Lease liabilities	199,418	552,111	-	751,529
Term financing	-	-	3,673,812	3,673,812
	<u>553,493</u>	<u>552,111</u>	<u>3,673,812</u>	<u>4,779,416</u>

(c) Market risk

Market risk is the risk of loss due to adverse changes or volatility of prices in financial markets. The market risk comprises of profit rate risk.

Profit rate risk

Profit rate risk is the market risk due to movements in profit rates and may affect valuation of fixed deposits. The Company's exposure to the profit rate is mainly confined to short-term placements with financial institutions. The Company overcomes the exposure by way of maintaining deposits on short-term basis.

20 DIRECTORS REMUNERATION

	<u>2020</u> RM	<u>2019</u> RM
Meeting expenses	<u>25,900</u>	<u>12,650</u>

The directors are key management personnel of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 SIGNIFICANT EVENT DURING THE YEAR

The Covid-19 outbreak has developed rapidly in 2020. During the first quarter of the year, there have been significant uncertainties noted around Malaysia's economic outlook stemming from the pandemic. Measures taken by all Government around the world to contain the virus have affected economic activities.

The Movement Control Order imposed at the onset of the pandemic has forced offices to close and events to be cancelled or postponed. Even though similarly affected, the Company has taken alternative measures to minimise disruption to face-to-face activities by putting in place online mode of communication such as webinar, to conduct meetings, trainings and examination. In addition, the Company has taken a number of safety and health measures to monitor and prevent the effects of the Covid-19 virus such as social distancing and working from home.

At this stage, the impact on the Company's businesses and results is limited. The Company will continue to follow the various government's instituted policies and advice as well as assess and monitor the developments and economic impact of the outbreak. In parallel, the Company will do its utmost to continue operations in the best and safest way possible without jeopardising the health of its people.

22 AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

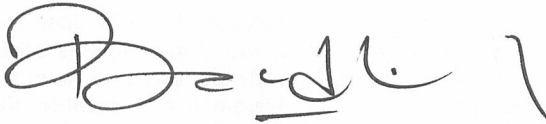
The financial statements have been authorised for issue in accordance with a resolution of the Grand Councillors.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

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

We, Dato' Badlisyah Bin Abdul Ghani and Abdul Rahman bin Mohd Yusoff, two of the Directors of the Chartered Institute of Islamic Finance Professionals, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 5 to 38 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2020 and financial performance of the Company for the financial year ended 31 December 2020 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28 May 2021.



DATO' BADLISYAH BIN ABDUL GHANI
DIRECTOR



ABDUL RAHMAN BIN MOHD YUSOFF
DIRECTOR

Kuala Lumpur

STATUTORY DECLARATION PURSUANT TO
SECTION 251(1) OF THE COMPANIES ACT, 2016

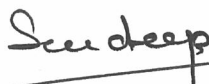
I, Abdul Rahman bin Mohd Yusoff, the Director primarily responsible for the financial management of the Chartered Institute of Islamic Finance Professionals, do solemnly and sincerely declare that the financial statements set out on pages 5 to 38 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



ABDUL RAHMAN BIN MOHD YUSOFF

Subscribed and solemnly declared by the abovenamed Abdul Rahman bin Mohd Yusoff at Kuala Lumpur on 28 May 2021.

Before me:



COMMISSIONER FOR OATH



5B, JALAN RAKYAT
(JALAN TRAVERS)
BRICKFIELDS
50470 KUALA LUMPUR



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS

(Incorporated in Malaysia)

(Company No. 201501023371 (1148700-X))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Chartered Institute of Islamic Finance Professionals ("the Company") give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its 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.

What we have audited

We have audited the financial statements of the Company, which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 38.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' 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 Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

*PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my*



INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CHARTERED INSTITUTE OF ISLAMIC FINANCE
PROFESSIONALS (CONTINUED)
(Incorporated in Malaysia)
(Company No. 201501023371 (1148700-X))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Company 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 Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company 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 Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CHARTERED INSTITUTE OF ISLAMIC FINANCE
PROFESSIONALS (CONTINUED)
(Incorporated in Malaysia)
(Company No. 201501023371 (1148700-X))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- (a) Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) 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 Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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



OTHER MATTERS

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

A stylized, handwritten signature in black ink, appearing to be "Raf-".

PRICEWATERHOUSECOOPERS PLT
LLP0014401/LCA & AF 1146
Chartered Accountants

A stylized, handwritten signature in black ink, appearing to be "Wong Hui Churn".

WONG HUI CHURN
03252/05/2022 J
Chartered Accountant

Kuala Lumpur
28 May 2021