

North America (42%)

Europe (28%)

Asia (29%)

NOTES:
North America continues its strong run in August, but we need to take a close look at Asia.

| | OCT | NOV | DEC | TOTAL | % |
|-----------------------------------|---------|---------|---------|-----------|---------|
| Personnel Total \$(000) | | | | \$146 000 | 42% |
| Telemarketing (% of Direct Sales) | | | | \$102 000 | 29% |
| Infrastructure Support | | | | \$98 000 | 28% |
| Commission | | | | 50 | 0% |
| Human Resources - Headcount | | | | 50 | 0% |
| Human Resources - Cost | | | | 50 | 0% |
| Rate | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 |
| | 750 | 200 | 500 | 1 500 | 1 200 |
| | 110% | 110% | 110% | 110% | 110% |
| | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 |
| | 0.75 | 0.20 | 0.50 | 1.50 | 1.20 |
| | 100% | 15% | 40% | 33% | 110% |
| | 50% | 50% | 50% | 50% | 50% |
| | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| | 25 | 25 | 25 | 25 | 25 |
| | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 |
| | 25 | 25 | 25 | 25 | 25 |
| | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| | 53.25 | 21.7 | 81.5 | 156.5 | 120 |
| | 1 | 1 | 1 | 1 | 1 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | 53.75 | 21.7 | 81.5 | 156.5 | 120 |
| | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| | 50 | 50 | 50 | 50 | 50 |
| | 10 | 10 | 10 | 10 | 10 |
| | | | | | |



**CERTIFICATE OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF
COMPANIES COMMISSION OF MALAYSIA
FOR THE YEAR ENDED 31 DECEMBER 2024**

Certificate on the Audit of the Financial Statements

Opinion

I have authorised a private audit firm pursuant to subsection 7(3) of the Audit Act 1957 [Act 62] to undertake an audit of the Financial Statements of the Companies Commission of Malaysia. The financial statements comprise the Statement of Financial Position as at 31 December 2024 of the Companies Commission of Malaysia and the Statement of Financial Performance, Statement of Changes in Net Assets/ Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 3 to 109.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Companies Commission of Malaysia as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with the Malaysian Public Sector Accounting Standards (MPSAS) and the Companies Commission of Malaysia Act 2001 [Act 614] requirements.

Basis for Opinion

The audit was conducted in accordance with the Audit Act 1957 and the International Standards of Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my certificate. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Independence and Other Ethical Responsibilities

I am independent of the Companies Commission of Malaysia and I have fulfilled my other ethical responsibilities in accordance with the International Standards of Supreme Audit Institutions.

Information Other than the Financial Statements and Auditor's Certificate Thereon

The Members of Commission of the Companies Commission of Malaysia is responsible for the other information in the Annual Report. My opinion on the Financial Statements of the Companies Commission of Malaysia does not cover the other information than the financial statements and Auditor's Certificate thereon and I do not express any form of assurance conclusion thereon.

Responsibilities of the Members of Commission for the Financial Statements

The Members of Commission is responsible for the preparation of Financial Statements of the Companies Commission of Malaysia that give a true and fair view in accordance with the Malaysian Public Sector Accounting Standards (MPSAS) and the Companies Commission of Malaysia Act 2001 [Act 614] requirements. The Members of Commission is also responsible for such internal control as the Members of Commission determines is necessary to enable the preparation of the Financial Statements of the Companies Commission of Malaysia that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements of the Companies Commission of Malaysia, the Members of Commission is responsible for assessing the Companies Commission of Malaysia's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the Financial Statements of the Companies Commission of Malaysia as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards of Supreme Audit Institutions 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.

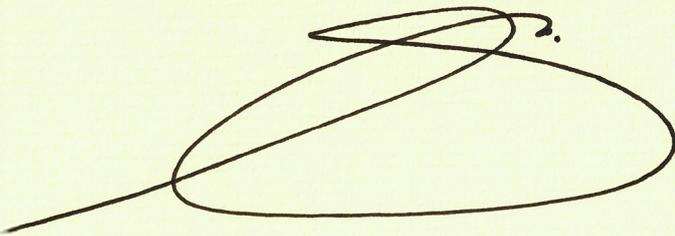
As part of an audit in accordance with the International Standards of Supreme Audit Institutions, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- a. identify and assess the risks of material misstatement of the Financial Statements of the Companies Commission of Malaysia, 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 my 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 Companies Commission of Malaysia's internal control;
- c. evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members of Commission;
- d. conclude on the appropriateness of the Members of Commission's 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 Companies Commission of Malaysia's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my Auditor's Certificate to the related disclosures in the Financial Statements of the Companies Commission of Malaysia or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of Auditor's Certificate. However, future events or conditions may cause the Companies Commission of Malaysia to cease to continue as a going concern; and
- e. evaluate the overall presentation, structure and content of the Financial Statements of the Companies Commission of Malaysia, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The Members of Commission has been informed regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I have identify during the audit.

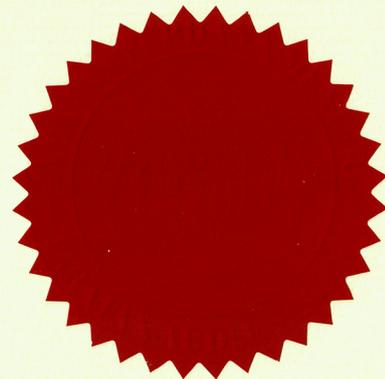
Other Matters

This certificate is made solely to the Members of Commission of the Companies Commission of Malaysia in accordance with the Companies Commission of Malaysia Act 2001 [Act 614] requirements, and for no other purpose. I do not assume responsibility to any other person for the content of this certificate.



(DATO' SERI WAN SURAYA WAN MOHD RADZI)
AUDITOR GENERAL
MALAYSIA

PUTRAJAYA
17 SEPTEMBER 2025



COMPANIES COMMISSION OF MALAYSIA

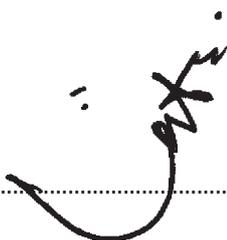
(Established under the Companies Commission of Malaysia Act 2001)

STATEMENT BY CHAIRMAN AND A MEMBER OF THE COMPANIES COMMISSION OF MALAYSIA

We, **AHMAD SABKI BIN YUSOF** and **DATUK NOR AZIMAH BINTI ABDUL AZIZ** being the Chairman and a member of the **COMPANIES COMMISSION OF MALAYSIA**, do hereby state that in the opinion of the Members of the Commission, the Financial Statements consisting of Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets/ Equity and Statement of Cash Flows together with the notes to the Financial Statements, are drawn up so as to give a true and fair view of the state of affairs of the **COMPANIES COMMISSION OF MALAYSIA** as at 31 December 2024 and of the results of its operations and of its cash flows for the year ended on that date.

On behalf of the Commission,

On behalf of the Commission,



Name : **AHMAD SABKI BIN YUSOF**

Name : **DATUK NOR AZIMAH BINTI
ABDUL AZIZ**

Designation : **CHAIRMAN OF THE COMMISSION**

Designation : **MEMBER OF THE COMMISSION**

Date : **29 APRIL 2025**

Date : **29 APRIL 2025**

Place : **KUALA LUMPUR**

Place : **KUALA LUMPUR**

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

STATUTORY DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANIES COMMISSION OF MALAYSIA

I, **REZY IZWAN BIN RAMLY**, being the officer primarily responsible for the accounting records and financial management of the **COMPANIES COMMISSION OF MALAYSIA** do solemnly and sincerely declare that the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets/ Equity and Statement of Cash Flows together with the notes to the Financial Statements 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 Declaration Act, 1960.

Subscribed and solemnly declared by the)
above named at KUALA LUMPUR in the)
Federal Territory on **29 APRIL 2025**)



REZY IZWAN BIN RAMLY

Deputy Chief Executive Officer
(Corporate Services)

Before me,



COMMISSIONER FOR OATHS



NO. 33-4, JALAN MEDAN TUANKU
50300 KUALA LUMPUR.

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

| | Note | 31-Dec-24 RM | 31-Dec-23 RM |
|---|------|----------------------|----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 6 | 129,711,219 | 183,322,744 |
| Deposits with Licensed Financial Institutions | 7 | 705,000,000 | 615,000,000 |
| Financial Investments | 8 | 185,752,549 | 10,017,140 |
| Receivables from Non-Exchange Transactions | 9 | 1,194,876 | 4,137,472 |
| Receivables from Exchange Transactions | 10 | 49,188,239 | 49,053,808 |
| Staff Financing | 11 | 4,860,360 | 5,261,110 |
| Total Current Assets | | 1,075,707,243 | 866,792,274 |
| Non-Current Assets | | | |
| Financial Investments | 8 | 442,008,415 | 554,555,092 |
| Staff Financing | 11 | 31,278,888 | 34,589,837 |
| Property, Fittings and Equipment | 12 | 171,679,018 | 156,007,692 |
| Investment Properties | 13 | 45,215,540 | 44,965,540 |
| Total Non-Current Assets | | 690,181,861 | 790,118,161 |
| Total Assets | | 1,765,889,104 | 1,656,910,435 |

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

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(continued)

| | Note | 31-Dec-24 RM | 31-Dec-23 RM |
|--------------------------------------|------|----------------------|----------------------|
| LIABILITIES | | | |
| Current Liabilities | | | |
| Payables from Exchange Transactions | 14 | 58,301,366 | 77,345,340 |
| Federal Consolidated Fund | 15 | 65,528,383 | 79,098,518 |
| Taxation and Zakat | 16 | 29,700,000 | 26,700,000 |
| Provision for Employee Benefits | 17 | 3,074,427 | 2,001,586 |
| Total Current Liabilities | | 156,604,176 | 185,145,444 |
| Non-Current Liabilities | | | |
| Provision for Employee Benefits | 17 | 74,353,644 | 64,146,167 |
| Total Non-Current Liabilities | | 74,353,644 | 64,146,167 |
| Total Liabilities | | 230,957,820 | 249,291,611 |
| NET ASSETS | | 1,534,931,284 | 1,407,618,824 |
| NET ASSETS/ EQUITY | | | |
| Staff Financing Fund | 18 | 91,000,000 | 91,000,000 |
| Accumulated Actuarial Gain | | 54,797,545 | 54,797,545 |
| Accumulated Surplus | | 1,389,133,739 | 1,261,821,279 |
| TOTAL NET ASSETS/ EQUITY | | 1,534,931,284 | 1,407,618,824 |

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

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2024

| | Note | 31-Dec-24 RM | 31-Dec-23 RM |
|--|------|--------------------|--------------------|
| Revenue | | | |
| Revenue from Non-Exchange Transactions | 19 | 391,289,415 | 372,357,055 |
| Revenue from Exchange Transactions | 20 | 162,519,706 | 150,284,272 |
| Total Revenue | | 553,809,121 | 522,641,327 |
| Expenses | | | |
| Staff Costs | 21 | 203,488,533 | 285,874,611 |
| Administration Costs | 22 | 125,176,111 | 145,373,760 |
| Finance Costs | | 45,318 | 45,349 |
| Other Expenses | 23 | 6,671,217 | 8,518,313 |
| Total Expenses | | 335,381,179 | 439,812,033 |
| Surplus Before Federal Consolidated Fund | | 218,427,942 | 82,829,294 |
| Federal Consolidated Fund | 15 | 65,528,383 | 24,864,463 |
| Surplus Before Taxation and Zakat | | 152,899,559 | 57,964,831 |
| Taxation and Zakat | 16 | 25,587,099 | 27,129,944 |
| Surplus for the year | | 127,312,460 | 30,834,887 |

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

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

STATEMENT OF CHANGES IN NET ASSETS/ EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

| | Accumulated Surplus RM | Accumulated Actuarial Gain RM | Staff Financing Fund RM | Total RM |
|--|------------------------------|-------------------------------------|-------------------------------|----------------------|
| As at 01 January 2024 | 1,261,821,279 | 54,797,545 | 91,000,000 | 1,407,618,824 |
| Surplus for the Year | 127,312,460 | - | - | 127,312,460 |
| Actuarial Gain for Staff Benefits | - | - | - | - |
| Total Recognised Revenue and Expenses for the Year | 127,312,460 | - | - | 127,312,460 |
| As at 31 December 2024 | 1,389,133,739 | 54,797,545 | 91,000,000 | 1,534,931,284 |
| As at 01 January 2023 | 1,230,986,392 | - | 91,000,000 | 1,321,986,392 |
| Surplus for the Year | 30,834,887 | - | - | 30,834,887 |
| Actuarial Gain for Staff Benefits | - | 54,797,545 | - | 54,797,545 |
| Total Recognised Revenue and Expenses for the Year | 30,834,887 | 54,797,545 | - | 85,632,432 |
| As at 31 December 2023 | 1,261,821,279 | 54,797,545 | 91,000,000 | 1,407,618,824 |

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

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

| | 31-Dec-24 RM | 31-Dec-23 RM |
|--|--------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Surplus for the Year | 152,899,559 | 57,964,831 |
| <u>Adjustments for:</u> | | |
| Depreciation of Property, Fittings and Equipment | 6,413,051 | 6,260,106 |
| Adjustment of Property, Fitting and Equipment | 222,117 | - |
| Reversal of Impairment of Inventories | - | (6,418) |
| Impairment Loss for Receivables from Exchange Transactions | 14,567 | 76,789 |
| Impairment Loss for Goods and Services Tax | - | 2,187,836 |
| Amortisation on Financial Investments | 45,318 | 45,349 |
| Gain from Disposal of Property, Fittings and Equipment | (2,972) | (3,362) |
| Changes in Fair Value of Investment Properties | (250,000) | (635,000) |
| Interest and Dividend from Deposit and Investments | (53,772,819) | (47,738,599) |
| Income and Changes in Fair Value of Staff Financing | (1,036,893) | (1,114,739) |
| Cash Flow from Operations Before Changes in Working Capital | 104,531,928 | 17,036,793 |

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

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

(continued)

| | 31-Dec-24 RM | 31-Dec-23 RM |
|---|-------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES (continued) | | |
| Changes in Working Capital: | | |
| Changes in Receivables from Non-Exchange Transactions | 2,942,596 | 76,751 |
| Changes in Receivables from Exchange Transactions | (148,998) | 4,884,490 |
| Changes in Inventories | - | 6,418 |
| Changes in Federal Consolidated Fund | (13,570,135) | 24,864,463 |
| Changes in Payables from Exchange Transactions | (19,043,974) | (410,732) |
| Changes in Provision for Employee Benefits | 11,280,317 | 77,657,176 |
| Cash Flow from Operations after Changes in Working Capital | 85,991,734 | 124,115,359 |
| Payment for Taxation and Zakat | (22,587,099) | (24,329,944) |
| Net Cash Flows from Operating Activities | 63,404,635 | 99,785,415 |

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

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

(continued)

| | 31-Dec-24 RM | 31-Dec-23 RM |
|--|----------------------|---------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Net Acquisition of Property, Fittings and Equipment | (22,306,733) | (7,395,009) |
| Proceeds from Disposal of Property, Fittings and Equipment | 3,212 | 3,909 |
| Interest and Dividend from Deposit and Investments | 53,772,819 | 47,738,599 |
| Net Deposits with Licensed Financial Institutions | (90,000,000) | (45,000,000) |
| Financial Investments | (63,234,050) | (65,452,480) |
| Net from Staff Financing | 4,748,592 | 2,795,390 |
| Net Cash Flows from Investing Activities | (117,016,160) | (67,309,591) |
| Net (Decrease) / Increase in Cash and Cash Equivalents | (53,611,525) | 32,475,824 |
| Cash and Cash Equivalents at Beginning of the Year | 183,322,744 | 150,846,920 |
| Cash and Cash Equivalents at End of the Year | 129,711,219 | 183,322,744 |

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

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

The Companies Commission of Malaysia (Commission) is a statutory body established under the Companies Commission of Malaysia Act 2001 (Act 614). The principal activities of the Commission are the regulation of corporations, companies and businesses under the Companies Act 2016, Interest Schemes Act 2016, Companies Act 1965, Registration of Businesses Act 1956, Limited Liability Partnerships Act 2012, Trust Companies Act 1949, Kootu Funds (Prohibition) Act 1971 and any subsidiary legislations made under the above Acts.

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

The Commission's headquarter office is located at Menara SSM@Sentral, No. 7, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50623 Kuala Lumpur, Malaysia. It has 21 States, Branches and Service Centre offices nationwide.

The financial statements for the financial year ended 31 December 2024 was tabled and duly approved by the Members of the Companies Commission of Malaysia on **29 April 2025**.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements comply with Malaysian Public Sector Accounting Standards (MPSAS) for the accrual basis of accounting. The measurement base applied is historical cost, unless stated otherwise.

MPSAS 33 allows a first-time adopter a period of up to three (3) years to recognise and/ or measure certain assets and/ or liabilities. In its transition to accrual basis MPSAS, the Commission has taken advantage of this transitional exemption.

The financial statements are presented in Ringgit Malaysia (RM), which is the functional and presentation currency of the Commission. The financial statements have been prepared on a going concern basis and the accounting policies have been consistently applied throughout the period.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied by the Commission in the reporting period of the financial statements, unless otherwise stated.

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

3.1. Financial Instruments – Financial Assets

(i) Classification

The Commission classifies its financial assets in the following categories:

- fair value through surplus or deficit,
- loans and receivables,
- available-for-sale; and
- held-to-maturity.

The classification depends on the purpose for which the financial assets were acquired. The Commission determines the classification at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

Financial Assets at Fair Value Through Surplus or Deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus and deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through surplus or deficit are carried in the Statement of Financial Position at fair value with changes in fair value recognised in surplus or deficit.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one (1) year or less they are classified as current assets. If not, they are presented as non-current assets.

The subsequent measurement of these financial assets is at amortised cost using the effective interest method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognised in the surplus or deficit.

Available for Sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1. Financial Instruments – Financial Assets (continued)

(i) Classification (continued)

Available for Sale Financial Assets (continued)

After initial measurement, available-for-sale financial assets are subsequently measured at fair value with gains or losses recognised directly in net assets through the Statement of Changes in Net Assets/ Equity until the financial asset is derecognised, at which time the cumulative gain or loss is recognised in surplus or deficit.

Held to Maturity Financial Assets

Held-to-maturity financial assets are non-derivative quoted financial assets with fixed or determinable payments and fixed maturities that the Commission has the positive intention and ability to hold to maturity.

If the Commission were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available for sale.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period which are classified as current assets.

(ii) Initial Recognition and Measurement

Regular purchases and sales of financial assets are recognised on the settlement date. 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 surplus or deficit. Financial assets at fair value through surplus or deficit are initially recognised at fair value and transaction costs are expensed in profit or loss.

For concessionary loans provided the difference between the loan proceeds and the fair value (based on market terms) is treated as an expense in surplus or deficit on initial recognition except when the loan is provided to a controlled entity where the difference represents a capital contribution.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, i.e. the date that the Commission commits to purchase or sell the asset.

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1. Financial Instruments – Financial Assets (continued)

(ii) Initial Recognition and Measurement (continued)

The Commission financial assets include cash and short-term deposits, loans and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

(iii) Subsequent Measurement

Available-for-sale financial assets and financial assets at fair value through surplus or deficit are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through surplus or deficit, including the effects of currency translation, interest and dividend income are recognised in surplus or deficit in the period in which the changes arise.

Changes in the fair value of available-for-sale financial assets are recognised in net assets/ equity, except for impairment losses and foreign exchange gains and losses on monetary assets. Interest and dividend income on available-for-sale financial assets are recognised separately in surplus or deficit. Interest on available-for-sale debt securities calculated using the effective interest method is recognised in surplus or deficit. Dividends income on available-for-sale equity instruments are recognised in surplus or deficit when the Commission's right to receive payments is established.

(iv) Impairment of Financial Assets

Financial Assets Carried at Amortised Cost

For financial assets carried at amortised cost, the Commission first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant or collectively for financial assets that are not individually significant.

If the Commission determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continuous to be, recognised are not included in a collective assessment of impairment.

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1. Financial Instruments – Financial Assets (continued)

(iv) Impairment of Financial Assets (continued)

Financial Assets Carried at Amortised Cost (continued)

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in surplus or deficit. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery, and all collateral has been realised or transferred to the Commission. If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in surplus or deficit.

Available for Sale Financial Assets

For available-for-sale financial assets, the Commission assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value was below its original cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the surplus or deficit - is removed from the reserve in net assets and recognised in surplus or deficit. Impairment losses recognised in surplus or deficit on equity investment classified as available-for-sale are not reversed through surplus or deficit in subsequent periods.

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1. Financial Instruments – Financial Assets (continued)

(iv) Impairment of Financial Assets (continued)

Available for Sale Financial Assets (continued)

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in surplus or deficit. If in subsequent period, the fair value of a debt instrument classified as available-for-sale increase and the increase can be objectively relates to an event occurring after the impairment loss was recognised in surplus or deficit, the impairment loss is reversed through surplus and deficit.

(v) Derecognition

The Commission derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when:

- The right to receive cash flows from the asset have expired or is waived.
- The Commission has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party and either:
 - o The Commission has transferred substantially all the risks and rewards of the asset; or
 - o The Commission has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

3.2. Financial Instruments - Financial Liabilities

Financial liabilities are recognised in the statement of financial position when the Commission becomes a party to the contractual provisions of the instrument.

At initial recognition, financial liabilities are measured at fair value, including transaction costs for financial liabilities not measured at fair value through surplus or deficit, directly attributable to the recognition of financial liabilities.

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2. Financial Instruments - Financial Liabilities (continued)

After initial recognition, financial liabilities are classified into one of the two categories of financial liabilities, i.e. financial liabilities are measured at fair value through surplus or deficit and financial liabilities at amortised cost.

Financial liabilities are derecognised when the obligations specified in the contract have been discharged, cancelled or expired. Any difference between the carrying amount of the derecognised financial liability and the consideration paid is recognised in the statement of financial performance during the period of the derecognition.

3.3 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

3.4. Cash and Cash Equivalent

Cash and cash equivalents comprise cash on hand, cash in transit, cash in bank, and short-term deposits with licensed financial institutions with original maturities of three (3) months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.5. Inventories

Inventories are recorded at the lower of cost and net realisable value. Inventories held for distribution for public benefit purposes are recorded at the lower of cost and current replacement cost. Where inventories are acquired at no cost or for nominal consideration, the cost is deemed to be the fair value at the date of acquisition.

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6. Property, Fittings and Equipment

Measurement

Property, fittings and equipment are initially stated at cost. The cost includes its purchase price, import duties, non-refundable purchase taxes and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Commission.

Where an asset is acquired in a non- exchange transaction for nil or nominal consideration, the asset is initially measured at its fair value.

Work in progress consists of works involving property and equipment that have not been completed until the end of the current financial year. Work in progress is stated at cost and is not depreciated until the asset is ready for use.

Subsequently the property, fittings and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Commission and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial year.

Depreciation

Freehold land is not depreciated as it has an infinite life. Leasehold land is amortised in equal instalments over the period of the respective leases. Other property, fittings and equipment are depreciated on the straight-line method to allocate the cost to their residual values over their estimated useful lives summarised as follows:

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6. Property, Fittings and Equipment (continued)

| Category of Property, Fittings and Equipment | Estimated Useful Life |
|--|------------------------|
| Leasehold | Remaining lease period |
| Buildings | 50 years |
| Building Equipment | 5 years |
| Office Equipment, Furniture and Fittings | 5 years |
| Computer Hardware and Software | 3 – 5 years |
| Motor Vehicles | 5 years |
| Renovation | 3 – 5 years |

The assets residual values and useful life are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

Impairment

At the end of the reporting period, the Commission assesses whether there is any indication of impairment. If such indications exist, 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.

Derecognition

The Commission derecognises items of property, fittings and equipment and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognised.

In the Commission's transition to accrual basis MPSAS, it utilised this transitional exemption for the Commission not separately identify intangible asset costs from Property, Fittings and Equipment. The Commission will identify and separate intangible asset costs to achieve more accurate cost separation.

3.7. Investment Properties

Investment properties include those portions of office buildings and land that are held for capital appreciation, to earn rentals or both.

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7. Investment Properties (continued)

Investment property is measured initially at its cost, including professional fees for legal services, property transfer taxes, and other transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

After initial recognition, investment properties are stated at fair value. Fair values of investment properties are based on valuations by registered independent and/or in-house valuers and with appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are recognised in surplus or deficit in the financial year in which they arise.

If the Commission determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is completed, the Commission shall measure that investment property under construction at cost until either its fair value becomes reliably determinable, or construction is completed (whichever is earlier). Once the Commission is able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, the Commission shall measure that property at its fair value.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Commission and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are included in surplus or deficit.

When the use of a property changes from investment property to owner-occupied, the property is reclassified as property and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

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(Established under the Companies Commission of Malaysia Act 2001)

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8. Impairment of Non-Financial Assets

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.

In assessing value in use, the Commission will use either the depreciation replacement cost approach or fair value less costs to sell. Under the depreciation replacement cost approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset whichever is lower, less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired service potential of the asset.

In determining fair value less costs to sell, the price of the assets in a binding agreement in an arm's length transaction, adjusted for incremental costs that would be directly attributed to the disposal of the asset is used. If there is no binding agreement, but the asset is traded on an active market, fair value less cost to sell is the asset's market price less cost of disposal. If there is no binding sale agreement or active market for an asset, the Commission determines fair value less cost to sell based on the best available information.

For each asset, 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. If such indication exists, the Commission estimates the asset's recoverable service amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in surplus or deficit.

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9. Taxation

Income tax on the surplus or deficit for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of taxable surplus for the year and is measured using the tax rates applicable at the statement of financial position date.

Deferred tax is provided for, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax is computed at the tax rates applicable at the statement of financial position date.

In transitioning to MPSAS, the Commission utilised a transitional exemption to temporarily not provide for deferred tax in the financial statements. This will ensure accurate recognition and disclosure of deferred tax once the transition to MPSAS is complete.

3.10. Provisions

Provisions are recognised when the Commission has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Commission expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

3.11. Employee Benefits

(i) Short-Term Employee Benefits

Wages, salaries, paid leave and sick leave, bonuses and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

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NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11. Employee Benefits (continued)

(ii) Defined Contribution Plan

The Commission made contributions to Employees Provident Fund (EPF) for employees who have opted for EPF scheme and the Retirement Fund (Incorporated) (KWAP) for employees who are in the Government pensionable scheme and the Commission has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The Commission's contributions to defined contribution plans are charged to surplus or deficit in the period they relate to. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Long-Term Employee Benefits

Long-term employee benefits are as follows:

- (a) Cash rewards in lieu of leave for Commission employees under the Government Pension Scheme (GPS),
- (b) Cash rewards in lieu of leave for Commission employees under the Skim Saraan Suruhanjaya Syarikat Malaysia (SSSSM); and
- (c) End of service gratuity for the Commission employees upon completion of service.

Cash Rewards in Lieu of Leave

The liabilities for unutilised carried forward leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in surplus or deficit.

COMPANIES COMMISSION OF MALAYSIA

(Established under the Companies Commission of Malaysia Act 2001)

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11. Employee Benefits (continued)

End of Service Gratuity

The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in net assets/equity in the period in which they arise.

3.12. Leases

Finance Lease

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return.

Operating Lease

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

3.13. Revenue

(i) Revenue from Non-Exchange Transactions

Service Income

Service income comprise the collection of fees related to registration of companies, businesses and limited liability partnerships as prescribed under the Companies Act 2016, Interest Schemes Act 2016, Limited Liability Partnerships Act 2012, Companies Act 1965 and the Registration of Businesses Act 1956 respectively. This revenue is recognised upon receipt of payment for the services provided.

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NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13. Revenue (continued)

- (i) Revenue from Non-Exchange Transactions (continued)

Compound

The compound is recognised upon payment received as each compound issued is only an offer in lieu of prosecution with a specified payment period determined by the Registrar and at the end of the given period, the compound notice will expire if it is not paid.

Compound which is not being settled after the expiry of the payment period will be followed by prosecution and/or other appropriate actions in accordance with the provision of the Companies Act 2016, Interest Schemes Act 2016, Limited Liability Partnerships Act 2012, Companies Act 1965 and Registration of Businesses Act 1956.

However, fines imposed by the Court following prosecution actions are income of the Government and not the Commission's.

Government Grant

Revenues from non-exchange transactions with Federal Government are measured at fair value and recognized on obtaining control of the asset (cash) that is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Commission and can be measured reliably.

In transitioning to MPSAS, the Commission utilised a transitional exemption to temporarily not recognise income on an accrual basis from non-exchange transactions, including service income and compound receipts.

- (ii) Revenue from Exchange Transaction

Corporate Training Programmes

Income arising from Corporate Training Programmes is recognized upon completion of the programmes.

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(Established under the Companies Commission of Malaysia Act 2001)

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13. Revenue (continued)

(ii) Revenue from Exchange Transaction (continued)

Supply of Corporate Information

Income arising from supply of corporate information as prescribed under the Companies Act 2016, Interest Schemes Act 2016, Limited Liability Partnerships Act 2012, and the Registration of Businesses Act 1956 respectively.

Interest Income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividend

Dividend or similar distributions are recognised when the Commission's right to receive payments is established.

Rental Income

Rental income arising from operating leases on properties is accounted for on a straight-line basis over the lease terms and included in revenue.

4. ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

The Commission adopts MPSAS 3 in the preparation and presentation of financial statements. MPSAS 3 outlines that accounting policies should be applied consistently from one period to another unless a change is required by another standard or results in financial statements that provide more relevant and reliable information about the effects of transactions, other events, or conditions on the entity's financial position, financial performance, or cash flows.

Changes in accounting estimates are recognised prospectively by including them in profit or loss.

Correction of errors are corrected retrospectively in the first set of financial statements authorised for issue after their discovery.

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5. SIGNIFICANT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Long-Term Staff Benefit Obligations

The Commission has long term staff benefit obligations for their employees with the present value of defined benefit obligation is based on a number of assumptions and factors as disclosed in the Note Provision for Employee Benefits. Any changes in these assumptions will have an impact on carrying amount of the long-term employee benefit obligations.

(ii) Depreciation

Property, fittings and equipment cost is depreciated on a straight-line basis. Estimates will be used in the selection of depreciation methods, useful life and residual values. The actual use of the economic benefits of a property and equipment may differ from the estimates used and this may affect the profit or loss when the assets are sold or disposed.

6. CASH AND CASH EQUIVALENTS

| | 31-Dec-24 RM | 31-Dec-23 RM |
|--|--------------------|--------------------|
| Cash in hand and floats | 105,000 | 105,000 |
| Bank balances | 49,606,219 | 108,217,744 |
| Short term deposits with licensed banks and financial institutions [a] | 80,000,000 | 75,000,000 |
| | 129,711,219 | 183,322,744 |

Cash at bank earns interest at floating rates based on daily bank deposit rates.

[a] The tenure for short term deposit under this cash and cash equivalents has a short maturity within three (3) months from the date of acquisition and earn interest at the respective short term deposit rates.

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7. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

| | 31-Dec-24 RM | 31-Dec-23 RM |
|---------------------|-----------------|-----------------|
| Commodity Murabahah | 705,000,000 | 615,000,000 |

The Commission has acquired Murabahah Commodity Deposits through several licensed financial institutions. The effective profit rate receivable by the Commission for these securities ranges from 3.20% to 4.20% per annum (2023: 4.02% to 4.25% per annum) with a tenure of up to 12 months (2023: 12 months).

8. FINANCIAL INVESTMENTS

| | 31-Dec-24 RM | 31-Dec-23 RM |
|------------------------------------|--------------------|--------------------|
| Measured at Amortised Cost: | | |
| Sukuk | 255,057,713 | 235,109,964 |
| Debt Securities | 19,982,054 | 19,975,120 |
| Institutional Trust Account | 265,875,874 | 256,620,105 |
| Unit Trust [a] | 31,455,530 | - |
| | 572,371,171 | 511,705,189 |
| Measured at Fair Value: | | |
| Direct Mandate [a] | 55,389,793 | 52,867,043 |
| | 627,760,964 | 564,572,232 |
| Non-Current Asset | | |
| More than 12 months | 442,008,415 | 554,555,092 |
| Current Asset | | |
| Within 12 months | 185,752,549 | 10,017,140 |
| | 627,760,964 | 564,572,232 |

[a] The Commission appointed Amanahraya Investment Management (ARIM) as the Fund House for the Direct Mandate investment in the financial year 2022 and Unit Trust investment in the financial year 2024, both for a period of three (3) years.

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9. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

| | 31-Dec-24 RM | 31-Dec-23 RM |
|----------------------|-----------------|-----------------|
| Service and compound | 1,194,876 | 4,137,472 |

The receivables amount from non-exchange transactions represents services and compounds provided by the Commission and already paid by the customers, but the payment has not yet disbursed by the appointed agent or payment gateway provider.

In the year 2024, the negative balance in the debtors' account for the collection agent, amounting to RM645,974, was reclassified as a liability under the creditors' account because it represents an overpayment record. The total accounts receivable for non-exchange transactions amounted RM1,840,850.

| | 31-Dec-24 RM |
|-------------------------------|------------------|
| As at 31 December 2024 | 1,194,876 |
| Less: | |
| Debtor's negative balance | (645,974) |
| TOTAL | 1,840,850 |

The amount reclassified as a liability under the debtor account for negative outstanding debt refers to Note 14 – Payables from Exchange Transactions.

10. RECEIVABLES FROM EXCHANGE TRANSACTIONS

| | 31-Dec-24 RM | 31-Dec-23 RM |
|---------------------------------|------------------|------------------|
| Supply of Corporate Information | 7,475,734 | 9,504,079 |
| Corporate Training Programmes | 36,835 | 13,040 |
| [a] | 7,512,569 | 9,517,119 |

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10. RECEIVABLES FROM EXCHANGE TRANSACTIONS (continued)

Receivables from other exchange transactions are as follows:

| | 31-Dec-24 RM | 31-Dec-23 RM |
|-------------------------------|-------------------|-------------------|
| Deposits and prepayments | 5,351,867 | 8,666,692 |
| Advances to employees | 77,387 | 29,144 |
| Other receivables | 226,095 | 230,778 |
| Tax asset [b] | 18,445,028 | 13,817,430 |
| Fair value of staff financing | 5,744,694 | 5,479,779 |
| Investment receivable | 14,109,791 | 13,577,491 |
| | 43,954,862 | 41,801,314 |
| | 51,467,431 | 51,318,433 |
| Less: | | |
| Impairment allowance | (2,279,192) | (2,264,625) |
| TOTAL | 49,188,239 | 49,053,808 |

[a] Receivables consist of fee from supply of corporate information and corporate training programmes. Credit period granted to debtors is 30 days from the date of invoice issued or as stated in the related agreements. For amounts exceeding the credit period, it involves the approval of the relevant parties.

[b] Goods and Services Tax claimable is the input tax exceeding the output tax, totaling RM2,187,836, while the tax asset amounting to RM16.26 million (2023: RM11.63 million) is the amount paid to the Inland Revenue Board (LHDN) for the estimated tax payable by the Commission as per CP204.

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11. STAFF FINANCING

| | 31-Dec-24 RM | 31-Dec-23 RM |
|----------------------------|-------------------|-------------------|
| Current Assets: | | |
| Home financing | 3,014,624 | 3,390,009 |
| Motor vehicle financing | 1,773,097 | 1,802,833 |
| Computer financing | 72,639 | 68,268 |
| | 4,860,360 | 5,261,110 |
| Non-Current Assets: | | |
| Home financing | 25,920,512 | 29,148,120 |
| Motor vehicle financing | 5,273,489 | 5,361,937 |
| Computer financing | 84,887 | 79,780 |
| | 31,278,888 | 34,589,837 |
| TOTAL | 36,139,248 | 39,850,947 |

Islamic financing provided to employees of the Commission includes financing for housing, motor vehicles, and computers with respective maximum repayment period of up to 30 years, nine (9) years, and four (4) years. The profit rate for housing financing is 2.0% per annum (2023: 2.0% per annum), while the profit rate for motor vehicle and computer financing is 4.0% per annum (2023: 4.0% per annum).

The staff financing balances are recognised at fair value computed based on future cash flows discounted using the effective interest rate of 4.70% to 8.38% (2023: 4.70% to 8.38%). The difference between the fair value and the carrying amount is treated as an expense in surplus or deficit.

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12. PROPERTY, FITTINGS AND EQUIPMENT

| | Leasehold Land | | Building | | Building Equipment | | Equipment, Furniture and Fittings | | Computer Hardwares and Softwares | | Motor Vehicles | | Renovation | | Work in Progress | | TOTAL | | |
|---------------------------------|----------------|-------------|------------|------------|--------------------|-----------|-----------------------------------|------------|----------------------------------|----|----------------|----|------------|----|------------------|----|-------|----|-------------|
| | [a] RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | |
| Cost | | | | | | | | | | | | | | | | | | | |
| As at 01 January 2024 | 8,000,000 | 176,149,776 | 16,650,580 | 22,628,139 | 84,589,728 | 1,359,623 | 36,070,696 | 15,325,584 | | | | | | | | | | | 360,774,126 |
| Additions | - | - | 295,780 | 1,716,530 | 28,090 | - | 325,562 | 19,940,772 | | | | | | | | | | | 22,306,734 |
| Disposals | - | - | - | (396,963) | (754,902) | - | (19,932) | - | | | | | | | | | | | (1,171,797) |
| Adjustment | - | - | - | 64,927 | - | - | (39,767) | - | | | | | | | | | | | 25,160 |
| As at 31 December 2024 | 8,000,000 | 176,149,776 | 16,946,360 | 24,012,633 | 83,862,916 | 1,359,623 | 36,336,559 | 35,266,356 | | | | | | | | | | | 381,934,223 |
| Accumulated Depreciation | | | | | | | | | | | | | | | | | | | |
| As at 01 January 2024 | 645,065 | 40,850,259 | 16,650,569 | 19,086,135 | 84,274,948 | 1,343,528 | 33,326,000 | - | | | | | | | | | | | 196,176,504 |
| Depreciation | 93,421 | 3,522,995 | 44,367 | 1,580,244 | 1,560 | 2,770 | 1,167,694 | - | | | | | | | | | | | 6,413,051 |
| Disposals | - | - | - | (396,774) | (754,879) | - | (19,904) | - | | | | | | | | | | | (1,171,557) |
| Adjustment | - | - | - | 3,847 | 314,385 | 7,779 | (78,734) | - | | | | | | | | | | | 247,277 |
| As at 31 December 2024 | 738,486 | 44,373,254 | 16,694,936 | 20,273,452 | 83,836,014 | 1,354,077 | 34,395,056 | - | | | | | | | | | | | 201,665,275 |

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

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12. PROPERTY, FITTINGS AND EQUIPMENT (continued)

| | Leasehold Land | | Building | | Building Equipment and Fittings | | Equipment, Furniture and Softwares | | Computer Hardwares and Softwares | | Motor Vehicles | | Renovation | | Work in Progress | | TOTAL | |
|-------------------------------|----------------|-------------|----------|-----------|---------------------------------|-------|------------------------------------|------------|----------------------------------|----|----------------|----|------------|----|------------------|-----------|-------|-----------|
| | [a] | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM |
| Accumulated Impairment | | | | | | | | | | | | | | | | | | |
| As at 01 January 2024 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 8,589,930 | - | 8,589,930 |
| Impairment for the year | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| As at 31 December 2024 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 8,589,930 | - | 8,589,930 |
| Net Carrying Amount | | | | | | | | | | | | | | | | | | |
| As at 31 December 2024 | 7,261,514 | 131,776,522 | 251,424 | 3,739,181 | 26,902 | 5,546 | 1,941,503 | 26,676,426 | 171,679,018 | | | | | | | | | |

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

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12. PROPERTY, FITTINGS AND EQUIPMENT (continued)

| | Leasehold Land | | Building | | Building Equipment | | Equipment, Furniture and Fittings | | Computer Hardwares and Softwares | | Motor Vehicles | | Renovation | | Work in Progress | | TOTAL | |
|-------------------------------------|----------------|--|-------------|--|--------------------|--|-----------------------------------|--|----------------------------------|--|----------------|--|------------|--|------------------|--|-------------|--|
| | [a] | | RM | | RM | | RM | | [b] | | RM | | RM | | [c] | | RM | |
| | RM | | RM | | RM | | RM | | RM | | RM | | RM | | RM | | RM | |
| Cost | | | | | | | | | | | | | | | | | | |
| As at 01 January 2023 | 8,000,000 | | 176,149,776 | | 16,650,580 | | 22,632,758 | | 85,429,802 | | 1,359,623 | | 36,073,546 | | 8,904,872 | | 355,200,957 | |
| Additions | - | | - | | - | | 974,297 | | - | | - | | - | | 6,420,712 | | 7,395,009 | |
| Disposals | - | | - | | - | | (978,916) | | (840,074) | | - | | (2,850) | | - | | (1,821,840) | |
| Transfer from investment properties | - | | - | | - | | - | | - | | - | | - | | - | | - | |
| As at 31 December 2023 | 8,000,000 | | 176,149,776 | | 16,650,580 | | 22,628,139 | | 84,589,728 | | 1,359,623 | | 36,070,696 | | 15,325,584 | | 360,774,126 | |
| Accumulated Depreciation | | | | | | | | | | | | | | | | | | |
| As at 01 January 2023 | 526,644 | | 37,352,264 | | 16,650,569 | | 18,552,893 | | 85,114,916 | | 1,327,002 | | 32,213,403 | | - | | 191,737,691 | |
| Depreciation | 93,421 | | 3,522,995 | | - | | 1,511,718 | | - | | 16,526 | | 1,115,446 | | - | | 6,260,106 | |
| Disposals | - | | - | | - | | (978,476) | | (839,968) | | - | | (2,849) | | - | | (1,821,293) | |
| As at 31 December 2023 | 620,065 | | 40,875,259 | | 16,650,569 | | 19,086,135 | | 84,274,948 | | 1,343,528 | | 33,326,000 | | - | | 196,176,504 | |

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

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12. PROPERTY, FITTINGS AND EQUIPMENT (continued)

| | Leasehold Land | | Building | | Building Equipment and Fittings | | Equipment, Furniture and Softwares | | Computer Hardwares and Softwares | | Motor Vehicles | | Renovation | | Work in Progress | | TOTAL | |
|----------------------------|----------------|-------------|----------|-----------|---------------------------------|--------|------------------------------------|-----------|----------------------------------|----|----------------|----|------------|----|------------------|-----------|-------|-----------|
| | [a] RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM |
| Cost | | | | | | | | | | | | | | | | | | |
| As at 01 January 2023 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 8,589,930 | - | 8,589,930 |
| Impairment for the year | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| As at 31 December 2023 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 8,589,930 | - | 8,589,930 |
| Net Carrying Amount | | | | | | | | | | | | | | | | | | |
| As at 31 December 2023 | 7,379,935 | 135,274,517 | 11 | 3,542,004 | 314,780 | 16,095 | 2,744,696 | 6,735,654 | 156,007,692 | | | | | | | | | |

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

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12. PROPERTY, FITTINGS AND EQUIPMENT (continued)

- a. The Commission possesses leasehold land as follows:
- (i) Menara SSM Perak is situated on leasehold land for a period of 99 years, starting from 2013 until 2112, with 88 years (2023: 89 years) remaining on the lease.
 - (ii) Menara SSM Sarawak is situated on leasehold land for a period of 60 years, starting from 2017 until 2077, with 53 years (2023: 54 years) remaining on the lease.
- b. In the financial statements, the Commission recognises the need to classify computer software as an intangible asset under MPSAS 31. However, at present, the Commission continues to list computer software under the category of Property, Plant and Equipment using the transitional benefit principle. This means that the software is not separated from the costs of other equipment purchased together with it.
- c. The Commission has recognised the value of work in progress related to ongoing projects. The value disclosed represents the costs incurred and the progress made on these projects as of the reporting date.

In line with statement note 12[b], the Commission utilised a transitional exemption to not separately identify intangible asset costs from Property, Fittings and Equipment, including ongoing projects involving Infrastructure Development and Installation of Information Technology and Communication Equipment. The Commission will identify and separate intangible asset costs separately to achieve more accurate cost allocation.

Work in progress refers to projects that are currently ongoing as follows:

| | 31-Dec-24 RM | 31-Dec-23 RM |
|--|-------------------------|-------------------------|
| Building and office renovation in progress | 76,000 | 1,371,441 |
| Information and communication technology in progress | 26,101,426 | 5,364,213 |
| Equipment development | 499,000 | - |
| | 26,676,426 | 6,735,654 |

- (i) Building and Office Renovation

In the current year, the Commission is involved in projects related to renovations to enhance office facilities and infrastructure. The work in progress amounts to RM76,000 (2023: RM1,371,441), which was derived from progress development in the current financial year.

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12. PROPERTY, FITTINGS AND EQUIPMENT (continued)

(ii) Information and Communication Technology

The additional work in progress amounting to RM26,101,426 (2023: RM5,364,213) was derived from the existing and newly awarded information and communication technology projects which were still under development in the current financial year.

In 2020, the Commission recorded an impairment loss for Enterprise Resource Planning (ERP) projects categorised as work in progress, due to ongoing legal challenges. By 2023, Commission achieved a favourable outcome in the litigation. Nevertheless, the plaintiff has filed an appeal against the ruling, leading to continued uncertainty. The impairment recognised in 2020 was a response to the legal risks prevalent at that point.

(iii) Equipment Development

In the current year, the Commission has purchased a bus chassis for the mobile counters' facility and product marketing. The work in progress amounting to RM499,000 (2023: RM0) represents the value of the project for the current financial year.

In the current financial year, the Commission has also awarded new contracts as disclosed in Note 26 - Capital Commitment.

13. INVESTMENT PROPERTIES

Part of the buildings owned by the Commission are held for capital appreciation, to earn rentals or both have been recognised as investment properties. The fair value of investment properties is determined by reference to comparable market prices of similar properties of recent transactions in the market.

| | 31-Dec-24 RM | 31-Dec-23 RM |
|--------------------------------|-----------------|-----------------|
| Cost: | | |
| As at 01 January / 31 December | 44,435,540 | 44,435,540 |

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13. INVESTMENT PROPERTIES (continued)

| | 31-Dec-24 RM | 31-Dec-23 RM |
|--|-------------------|-------------------|
| Changes in Fair Value: | | |
| As at 01 January | 530,000 | (105,000) |
| Changes in fair value for the current year [a] | 250,000 | 635,000 |
| As at 31 December | 780,000 | 530,000 |
| Balance as at 31 December | 45,215,540 | 44,965,540 |

- a. At the end of 2024, the fair value of the Menara SSM Sarawak remained the same as in 2023, based on the assessment by the Valuation and Property Services Department (JPPH). Meanwhile, Menara SSM Perak the fair value was RM78,300,000 also based on the JPPH valuation, which requires segregation for measuring the fair value of investment property, with changes recognized as surplus or deficit.

14. PAYABLES FROM EXCHANGE TRANSACTIONS

| | 31-Dec-24 RM | 31-Dec-23 RM |
|------------------------------------|-------------------|-------------------|
| Payables and accruals | 12,688,879 | 11,327,744 |
| Staff costs and statutory payables | 26,495,103 | 50,587,009 |
| Trustee ledger | 10,270,490 | 7,419,805 |
| Other creditors [a] | 8,846,894 | 8,010,782 |
| | 58,301,366 | 77,345,340 |

- a. Bank guarantee amounting to RM1,776,508 for the Enterprise Resource Planning (ERP) project litigation case received by the Commission in April 2021 (Note 24 [b]) is recorded under other creditors.

Included in the exchange transactions with other creditors is an amount totalling RM4.09 million (2023: RM3.46 million). This follows the Commission's establishment of new guidelines in fiscal year 2023 regarding the status of new business registration applications under the Registration of Businesses Act 1956. Applications for the period 2016-2022 (RM2.86 million) that were previously under query status have now been rejected. The payments received will be refunded to Unclaimed Money. Meanwhile, applications for the period 2023-2024 (RM1.23 million) that were previously under query status have now been decided to be rejected and the payments received will be refunded to the applicants resulting in the derecognition of revenue.

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14. PAYABLES FROM EXCHANGE TRANSACTIONS (continued)

The impact on the 2024 financial statements is applied prospectively in accordance with the requirements of these changes.

Based on Note 9 – Receivables from Non-Exchange Transactions, the negative balance in the debtor account for the collection agent amounting to RM645,974 has been reclassified as a liability under the creditor account as it represents a record of excess payments. The total amount of unsettled exchange transactions is RM58,301,366.

| | |
|-------------------------------|-------------------|
| As at 31 December 2024 | 58,301,366 |
| Add: | |
| Debtor's negative balance | 645,974 |
| TOTAL | 58,947,340 |

15. FEDERAL CONSOLIDATED FUND (FCF)

| | 31-Dec-24 RM | 31-Dec-23 RM |
|--|-------------------|-------------------|
| As at 01 January | 79,098,518 | 54,234,055 |
| Provision for FCF [a] | 65,528,383 | 24,848,788 |
| Adjustment to provision for prior year | - | 15,675 |
| Payment made during the year [b] | (79,098,518) | - |
| As at 31 December | 65,528,383 | 79,098,518 |

Section 35(1) of the Companies Commission of Malaysia Act 2001 (Act 614) provides that the Commission pays 30% of its current annual surplus to the Federal Consolidated Fund.

- a. The current year's KWDP provision also considers the changes in the method of calculating long-term employee benefits, now utilising the projected unit credit method.
- b. The payment for KWDP provisions for the financial years 2022 and 2023, amounting to RM54,838,051 and RM24,260,467 respectively, was made by the Commission in 2024.

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16. TAXATION AND ZAKAT

| | 31-Dec-24 RM | 31-Dec-23 RM |
|---|-------------------|-------------------|
| As at 01 January | 26,700,000 | 23,900,000 |
| Provision for the year: | | |
| Taxation | 13,800,000 | 11,400,000 |
| (Excess)/ Deficit provision of prior year taxes | (4,112,901) | 429,944 |
| Zakat | 15,900,000 | 15,300,000 |
| | 25,587,099 | 27,129,944 |
| Payment during the year and adjustment for CP204: | | |
| Taxation | (7,287,099) | (9,129,944) |
| Zakat | (15,300,000) | (15,200,000) |
| | (22,587,099) | (24,329,944) |
| As at 31 December | 29,700,000 | 26,700,000 |

In computing the provision for zakat, the Commission adopted the method of Working Capital (Syar'iyah) which takes into account the position of current assets less current liabilities and made adjustments to several matters relating to zakat.

| | 31-Dec-24 RM | 31-Dec-23 RM |
|--|--------------------|-------------------|
| Surplus Before Taxation and Zakat | 152,899,559 | 57,964,831 |
| Tax at applicable tax rate: | | |
| Non-taxable income | (493,235,985) | (466,874,541) |
| Non-deductible expenses | 400,909,563 | 464,191,822 |
| Zakat | (3,073,132) | (7,782,108) |

The reconciliation between the income tax expense and accounting profit, calculated at the applicable tax rate of 24% (2023: 24%), is presented as follows:

| | 31-Dec-24 RM | 31-Dec-23 RM |
|--|-------------------|-------------------|
| Surplus Before Taxation and Zakat | 36,695,895 | 13,911,559 |
| Tax at applicable tax rate: | | |
| Non-taxable income | (118,376,637) | (112,049,890) |
| Non-deductible expenses | 96,218,294 | 111,406,037 |
| Zakat | (737,552) | (1,867,706) |
| Tax at applicable tax rate | 13,800,000 | 11,400,000 |

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17. PROVISION FOR EMPLOYEE BENEFITS

| | 31-Dec-24 RM | 31-Dec-23 RM |
|--------------------------------|-------------------|-------------------|
| As at 31 December | 77,428,071 | 66,147,753 |
| Non-Current Liabilities | | |
| End of Service Gratuity | 65,236,884 | 57,857,854 |
| Cash Rewards in Lieu of Leave | 9,116,760 | 6,288,313 |
| | 74,353,644 | 64,146,167 |
| Current Liabilities | | |
| End of Service Gratuity | 2,726,532 | 1,760,134 |
| Cash Rewards in Lieu of Leave | 347,895 | 241,452 |
| | 3,074,427 | 2,001,586 |
| | 13 retirees | 11 retirees |

The movement in provision for employee benefits are as follows:

| | 31-Dec-24 RM | 31-Dec-23 RM |
|--------------------------------|-------------------|-------------------|
| As at 01 January | 66,147,753 | 43,288,122 |
| Provision for the year: | | |
| End of Service Gratuity | 10,370,079 | 72,211,770 |
| Cash Rewards in Lieu of Leave | 4,116,105 | 7,472,163 |
| | 14,486,184 | 79,683,933 |
| Gain on Actuarial: | | |
| End of Service Gratuity | - | (51,016,538) |
| Cash Rewards in Lieu of Leave | - | (3,781,007) |
| | - | (54,797,545) |
| Payments Made in Current Year: | | |
| End of Service Gratuity | (2,736,441) | (1,782,127) |
| Cash Rewards in Lieu of Leave | (469,425) | (244,630) |
| | (3,205,866) | (2,026,757) |
| As at 31 December | 77,428,071 | 66,147,753 |

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17. PROVISION FOR EMPLOYEE BENEFITS (continued)

The Commission has agreed and approved the Commission Cash Reward in lieu of leave and the Commission End of Service Gratuity for staff upon completion of service, effective from 01 January 2016, and effective 01 January 2022, the Commission has approved the optional retirement option for employees of the Skim Saraan Suruhanjaya Syarikat Malaysia (SSSSM), starting at the age of 55 based on specified conditions and qualifications.

The Commission has transitioned from the simplified method to the actuarial method under MPSAS 25 for measuring long-term employee benefits, resulting in an increase in the provision for long-term employee benefits. The impact on the 2024 financial statements is applied prospectively in accordance with the requirements of these changes and this measurement has considered factors such as the following:

- (i) Actuarial assumptions include discount rates, salary escalation rates and mortality rates to estimate the present value of future benefit obligations.
- (ii) Actuarial gains or losses arise from changes in these assumptions and are recognised in the Statement of Changes in Equity.
- (iii) Actuarial valuation is conducted periodically to reassess these obligations and their impact on financial statements.

Actuarial gains or losses may arise from differences between the assumptions used under the simplified method and the more detailed assumptions required under the actuarial method. These adjustments reflect changes in assumptions and are recognised in the Statement of Changes in Equity. The actuarial assumptions applied in the measurement are as follows:

| | 31-Dec-24 RM | 31-Dec-23 RM |
|------------------------|-----------------|-----------------|
| Discount rates | 4.00% | 4.00% |
| Salary escalation rate | 6.00% | 6.00% |
| Mortality rate | DG196 | DG196 |

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18. STAFF FINANCING FUND

| | 31-Dec-24 RM | 31-Dec-23 RM |
|----------------|-----------------|-----------------|
| Financing fund | 91,000,000 | 91,000,000 |

Financing fund of RM80.0 million, RM10.0 million and RM1.0 million for home, motor vehicle and computer financing funds respectively for employees of the Commission.

19. REVENUE FROM NON-EXCHANGE TRANSACTIONS

| | 31-Dec-24 RM | 31-Dec-23 RM |
|----------------------|--------------------|--------------------|
| Service income | 321,162,277 | 309,534,814 |
| Penalty and compound | 70,127,138 | 62,822,241 |
| | 391,289,415 | 372,357,055 |

20. REVENUE FROM EXCHANGE TRANSACTIONS

| | 31-Dec-24 RM | 31-Dec-23 RM |
|--|--------------------|--------------------|
| Supply corporate information | 96,569,360 | 89,475,866 |
| Corporate training programmes | 5,377,210 | 5,041,620 |
| | 101,946,570 | 94,517,486 |
| Investment income | 53,772,819 | 47,738,599 |
| Financing income | 771,977 | 2,898,063 |
| Rental income | 3,491,774 | 3,144,451 |
| Gain from disposal | 2,972 | 3,362 |
| Loss from financing | (40,492) | - |
| Changes in fair value for investment property and building | 250,000 | 635,000 |
| Other income [a] | 2,324,086 | 1,347,311 |
| | 60,573,136 | 55,766,786 |
| | 162,519,706 | 150,284,272 |

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20. REVENUE FROM EXCHANGE TRANSACTIONS (continued)

- a. Included in Other Income is an amount of RM1.04 million received in the financial year 2024 from Marawak Sdn Bhd (MSB) for the repurchase of 52 parking lots at the Menara SSM Sarawak.

The purchase of the Menara SSM Sarawak in 2017 for RM18.0 million for various uses was classified as investment property and building property. Following an audit by the National Audit Department of Malaysia (JANM), it was found that 52 parking lots worth RM1.04 million were yet to be constructed. In response, the Commission signed a supplementary agreement with MSB on 08 December 2022. MSB agreed to construct and deliver the 52 parking lots by 31 December 2031. In the event of MSB's failure, they must repurchase the parking lots at cost.

On 22 April 2024, a second supplementary agreement was signed where MSB agreed to repurchase the 52 parking lots for a total of RM1.04 million in accordance with the agreed payment method. The initial payment of RM0.3 million was deducted through Retention Sum with the payment paid by SSM to MSB under the agreement in 2017 and the balance of RM0.74 million was paid on 17 October 2024. The total amount of RM1.04 million was recognised as Other Income of SSM.

21. STAFF COSTS

| | 31-Dec-24 RM | 31-Dec-23 RM |
|---------------------------------|-------------------------|-------------------------|
| Salaries, bonus and allowances | 151,255,273 | 162,399,442 |
| Defined contributions and SOCSO | 24,200,090 | 26,621,436 |
| Long-term staff benefit [a] | 14,486,184 | 79,683,934 |
| Medical benefits | 13,092,303 | 14,843,384 |
| Subsidies to staff | 454,683 | 2,326,415 |
| | 203,488,533 | 285,874,611 |

- a. In 2023, the significant increase in employee benefits was due to the initial application of the actuarial method under MPSAS 25. However, in 2024, there was a decrease in employee benefits and fair value for the current period following actuarial adjustments and changes in realistic estimates. Refer to Note 17.

The number of employees of the Commission as at 31 December 2024 was 1,370 inclusive of 23 temporary staff (2023: 1,392 inclusive of 72 temporary staff).

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22. ADMINISTRATION COSTS

| | 31-Dec-24 RM | 31-Dec-23 RM |
|---|--------------------|--------------------|
| Travelling and accommodation | 5,445,153 | 4,970,501 |
| Communication and utilities | 7,335,221 | 7,905,241 |
| Rental and leases | 21,694,294 | 17,924,425 |
| Printing, stationery and advertising | 3,671,269 | 4,345,980 |
| Maintenance of property, fittings and equipment [a] | 56,622,411 | 80,807,749 |
| Professional fees | 1,718,091 | 4,192,338 |
| Entertainment and hospitalities [b] | 18,767,134 | 15,906,786 |
| Other administrative costs | 9,922,538 | 9,320,740 |
| | 125,176,111 | 145,373,760 |

- a. Maintenance costs encompass expenditures related to ICT and infrastructure to ensure the safety, efficiency, and effectiveness of technological assets and software systems (including control systems, applications, and databases) used in the daily operations of the Commission. In 2024, maintenance costs were reduced because of services related to ICT infrastructure have been completed in 2023.
- b. The Commission has approved *Skim Pendaftaran Perniagaan Percuma* (SPPP) to assist B40 Group entrepreneurs and encourage interested Higher Education Institution students to register their businesses with the Commission under the Registration of Businesses Act 1956 (ROBA 1956) will be exempted from any fees. This scheme is implemented until the allocation of this SPPP grant is used up.

The amount is recorded in the entertainment and hospitalities:

| | 31-Dec-24 RM | 31-Dec-23 RM |
|--------------------------------------|------------------|------------------|
| As at 01 January | 4,868,040 | 7,665,780 |
| Business registration under the SPPP | (3,128,060) | (2,797,740) |
| As at 31 December | 1,739,980 | 4,868,040 |

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23. OTHER EXPENSES

| | 31-Dec-24 RM | 31-Dec-23 RM |
|---|------------------|------------------|
| Depreciation | 6,413,051 | 6,260,106 |
| Readjustment of Property, Fitting and Equipment | 222,117 | - |
| Net impairment loss | 14,567 | 2,258,207 |
| Allowance for diminution | 15,329 | - |
| Bad debt write-off | 6,153 | - |
| | 6,671,217 | 8,518,313 |

The breakdown of impairment losses for financial assets is as follows:

| | 31-Dec-24 RM | 31-Dec-23 RM |
|--|-----------------|------------------|
| Net impairment loss | | |
| Impairment loss for receivables from exchange transactions | 14,567 | 76,789 |
| Impairment loss for Goods and Services Tax | - | 2,187,836 |
| Reversal of impairment loss for inventories | - | (6,418) |
| | 14,567 | 2,258,207 |

24. SIGNIFICANT LITIGATION

[a] Formis Network Services Sdn Bhd (Plaintiff) vs. the Companies Commission of Malaysia (Defendant)

The plaintiff in the Writ of Summons and Statement of Claim dated 11 February 2021, has claimed damages against the defendant amounting to RM128,178,068 which includes the cost of loss, damage, and loss of revenue. The Commission as the defendant has submitted a Defence and Counterclaim against the plaintiff amounting to RM49,298,651 dated 02 April 2021 for damages awarded, costs, and expenses due to FNS's failure to complete services under the Agreement. On 28 December 2023, the High Court granted partial Discovery applications by FNS and the Commission respectively. The case management date was set for 04 June 2024, where both parties agreed on the documents to be disclosed as evidence during the trial. The trial for the substantive action in the High Court has been scheduled for 13-16 May 2025.

The Commission assesses and anticipates that losses arising from this significant litigation will involve expenses for solicitor and advocate fees, expert witness appointments, as well as litigation and court proceedings costs.

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24. SIGNIFICANT LITIGATION (continued)

[b] Liberty Technology Resources Sdn Bhd (Plaintiff) vs. the Companies Commission of Malaysia (Defendant)

On 23 December 2019, the contract for the Enterprise Resource Planning (ERP) System Development amounting to RM35.53 million was terminated. Subsequently, on 26 November 2020, the plaintiff filed a Statement of Claim and a Writ of Summons, seeking damages totaling RM19,872,979 against the defendant. The defendant responded on 13 January 2021, has submitted a Defence and Counterclaim against the plaintiff amounting to RM12,240,109.

On 15 June 2023, the High Court of Malaysia ruled that LTSB is required to pay the Suruhanjaya RM14,195,179. The plaintiff has filed an appeal to the Court of Appeal, and the hearing initially scheduled for 14 October 2024 has been rescheduled to 29 September 2025.

The outcome signifies that the Commission does not anticipate any significant financial impact or liability arising from this case. The Commission will continue to monitor any potential appeals or further legal proceedings related to this matter and will disclose any material developments in subsequent reporting periods as required.

25. RELATED PARTY TRANSACTIONS

The Commission shall consist of the following members who shall be appointed by the Minister:

- (a) A Chairman,
- (b) The Chief Executive Officer,
- (c) Not more than three (3) persons from the public service; and
- (d) Not more than four (4) persons who shall be qualified persons as defined in the Legal Profession Act 1976 [Act 166] or persons who possess the relevant knowledge or experience in commercial or company matters.

Key management personnel compensation:

| | 31-Dec-24 RM | 31-Dec-23 RM |
|--------------------------|------------------|------------------|
| The Commission's Members | 1,022,210 | 2,042,593 |
| Key management personnel | 1,946,589 | 1,476,099 |
| | 2,968,799 | 3,518,692 |

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26. CAPITAL COMMITMENT

| | 31-Dec-24 RM | 31-Dec-23 RM |
|--|-------------------|-------------------|
| Approved and contracted for: | | |
| (i) Information and communication technology | 46,208,459 | 68,115,527 |
| (ii) Building and renovation | 1,476,000 | 3,987,094 |
| (iii) Motor vehicle | 500,000 | 499,000 |
| | 48,184,459 | 72,601,621 |

In the financial year 2023, the Commission purchased bus vehicle chassis and signed a commercial design contract as part of ongoing projects. In the current financial year, the Commission has also spent RM500,000 on bus vehicle customisation.

27. FINANCIAL RISK MANAGEMENT

Financial Risk Management is the process of identifying, assessing, and controlling risks associated with the financial activities. The primary objective of financial risk management is to protect the financial value of the company, reduce uncertainty, and ensure stable operations. Financial risk management involves identifying various types of financial risks that the company may face such as:

- (a) market risk (price, interest rate, and exchange rate fluctuations);
- (b) credit risk (counterparty's inability to meet payment obligations);
- (c) liquidity risk (insufficient funds to meet financial obligations); and
- (d) operational risk (internal process failures and technological failures).

(a) Market Risk

Market risk is the potential for losses due to changes in the value of investment portfolios or other financial instruments caused by market factors such as interest rate fluctuations, currency exchange rate movements and changes in stock prices. The Commission manages its own investments, and it mitigates market risk by diversifying its investment exposure across high-quality and liquid financial instruments. This approach aims to protect the Commission's capital and optimise investment returns.

(i) Interest Rate Risk

The Commission recognises the importance of identifying and analysing the carrying amounts of financial assets and liabilities based on their nature and characteristics to effectively manage interest rate risk.

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27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(i) Interest Rate Risk (continued)

| Type of Financial Asset/ Financial Liability | Interest Repricing or Maturity Date |
|--|--|
| ▪ Cash and Cash Equivalents | ▪ Up to one (1) month or Non-Interest Sensitive |
| ▪ Loans and Receivables | ▪ Maturity Date or Interest Repricing Date, whichever is earlier |
| ▪ Financial Investments | ▪ Maturity Date or Interest Repricing Date, whichever is earlier |
| ▪ Financial Liabilities | ▪ Maturity Date or Interest Repricing Date, whichever is earlier |

The following table indicates the Commission's financial assets and financial liabilities and carrying amount, analysed by the interest repricing or maturity date whichever is the earlier:

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27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(i) Interest Rate Risk (continued)

| 2024 | 0 - 1 Month RM | > 1 - 3 Months RM | > 3 - 12 Months RM | 1 - 5 Years RM | > 5 Years RM | Non-Interest Sensitive RM | TOTAL RM |
|---|----------------------|-------------------------|--------------------------|----------------------|--------------------|---------------------------------|----------------------|
| Current Assets/ Aset Semasa | | | | | | | |
| Cash and Cash Equivalents | 129,606,219 | - | - | - | - | 105,000 | 129,711,219 |
| Deposits with Licensed Financial Institutions | 40,000,000 | 70,000,000 | 595,000,000 | - | - | - | 705,000,000 |
| Financial Investments | 10,000,000 | - | 175,752,549 | - | - | - | 185,752,549 |
| Receivables from Non-Exchange Transactions | - | - | - | - | - | 1,194,876 | 1,194,876 |
| Receivables from Exchange Transactions | - | - | - | - | - | 49,188,239 | 49,188,239 |
| Staff Financing | - | - | 4,860,360 | - | - | - | 4,860,360 |
| | 179,606,219 | 70,000,000 | 775,612,909 | - | - | 50,488,115 | 1,075,707,243 |

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27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(i) Interest Rate Risk (continued)

| 2024 | 0 - 1 Month RM | > 1 - 3 Months RM | > 3 - 12 Months RM | 1 - 5 Years RM | > 5 Years RM | Non-Interest Sensitive RM | TOTAL RM |
|---------------------------|----------------------|-------------------------|--------------------------|----------------------|--------------------|---------------------------------|----------------------|
| Non-Current Assets | | | | | | | |
| Financial Investments | - | - | - | 442,008,415 | - | - | 442,008,415 |
| Staff Financing | - | - | - | - | 31,278,888 | - | 31,278,888 |
| | - | - | - | 442,008,415 | 31,278,888 | - | 473,287,303 |
| TOTAL ASSETS | 179,606,219 | 70,000,000 | 775,612,909 | 442,008,415 | 31,278,888 | 50,488,115 | 1,548,994,546 |

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27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(i) Interest Rate Risk (continued)

| 2024 | 0 - 1 Month RM | > 1 - 3 Months RM | > 3 - 12 Months RM | 1 - 5 Years RM | > 5 Years RM | Non-Interest Sensitive RM | TOTAL RM |
|-------------------------------------|----------------------|-------------------------|--------------------------|----------------------|--------------------|---------------------------------|--------------------|
| Current Liabilities | | | | | | | |
| Payables from Exchange Transactions | - | - | - | - | - | 58,301,366 | 58,301,366 |
| Federal Consolidated Fund | - | - | - | - | - | 65,528,383 | 65,528,383 |
| Provision for Employee Benefits | - | - | 3,074,427 | - | - | - | 3,074,427 |
| | - | - | 3,074,427 | - | - | 123,829,749 | 126,904,176 |
| Non-Current Liabilities | | | | | | | |
| Provision for Employee Benefits | - | - | - | 74,353,644 | - | - | 74,353,644 |
| | - | - | - | 74,353,644 | - | - | 74,353,644 |
| TOTAL LIABILITIES | - | - | 3,074,427 | 74,353,644 | - | 123,829,749 | 201,257,820 |

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27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(i) Interest Rate Risk (continued)

| 2023 | 0 - 1 Month RM | > 1 - 3 Months RM | > 3 - 12 Months RM | 1 - 5 Years RM | > 5 Years RM | Non-Interest Sensitive RM | TOTAL RM |
|---|----------------------|-------------------------|--------------------------|----------------------|--------------------|---------------------------------|----------------------|
| Current Liabilities | | | | | | | |
| Cash and Cash Equivalents | 163,217,744 | 20,000,000 | - | - | - | 105,000 | 183,322,744 |
| Deposits with Licensed Financial Institutions | 30,000,000 | 100,000,000 | 485,000,000 | - | - | - | 615,000,000 |
| Financial Investments | - | - | 10,017,140 | - | - | - | 10,017,140 |
| Receivables from Non-Exchange Transactions | - | - | - | - | - | 4,137,472 | 4,137,472 |
| Receivables from Exchange Transactions | - | - | - | - | - | 49,053,808 | 49,053,808 |
| Staff Financing | 438,426 | 876,852 | 3,945,832 | - | - | - | 5,261,110 |
| | 193,656,170 | 120,876,852 | 498,962,972 | - | - | 53,296,280 | 866,792,274 |
| Non-Current Assets | | | | | | | |
| Financial Investments | - | - | - | 524,555,092 | 30,000,000 | - | 554,555,092 |
| Staff Financing | - | - | - | - | 34,589,837 | - | 34,589,837 |
| | - | - | - | 524,555,092 | 64,589,837 | - | 589,144,929 |
| TOTAL ASSETS | 193,656,170 | 120,876,852 | 498,962,972 | 524,555,092 | 64,589,837 | 53,296,280 | 1,455,937,203 |

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27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(i) Interest Rate Risk (continued)

| 2023 | 0 - 1 Month RM | > 1 - 3 Months RM | > 3 - 12 Months RM | 1 - 5 Years RM | > 5 Years RM | Non-Interest Sensitive RM | TOTAL RM |
|-------------------------------------|----------------------|-------------------------|--------------------------|----------------------|--------------------|---------------------------------|--------------------|
| Current Liabilities | | | | | | | |
| Payables from Exchange Transactions | - | - | - | - | - | 77,345,340 | 77,345,340 |
| Federal Consolidated Fund | - | - | - | - | - | 79,098,518 | 79,098,518 |
| Provision for Employee Benefits | - | - | 2,001,586 | - | - | - | 2,001,586 |
| | - | - | 2,001,586 | - | - | 156,443,858 | 158,445,444 |
| Non-Current Liabilities | | | | | | | |
| Provision for Employee Benefits | - | - | - | 64,146,167 | - | - | 64,146,167 |
| | - | - | - | 64,146,167 | - | - | 64,146,167 |
| TOTAL LIABILITIES | - | - | 2,001,586 | 64,146,167 | - | 156,443,858 | 222,591,611 |

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27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(i) Interest Rate Risk (continued)

Interest Rate Sensitivity

Interest rate sensitivity refers to the impact of changes in interest rates on the value and cash flows of financial instruments. The Commission assesses the effects of interest rate changes on our assets and liabilities to identify associated risks and opportunities. By managing interest rate sensitivity, the Commission can mitigate risks and maximise returns. This involves interest rate hedging and adjusting the Commission's investment portfolio. The Commission's objective is to maintain financial performance and stability in a dynamic interest rate environment.

Weighted-Average Interest Rate and Average Maturity

The weighted-average interest rate is an important metric that provides an overall measure of the exposure to interest rates in the Commission's portfolio. It is calculated by considering the amount invested in different financial instruments and their respective interest rates. This metric helps the Commission assess the level of interest rate risk inherent in their investments.

The average maturity period is a key metric that indicates the average time until maturity or payment of financial instruments in the Commission's portfolio. It helps assess the sensitivity to changes in interest rates over a specific time frame.

By monitoring the average maturity period, the Commission can make informed decisions about their interest rate risk management.

(b) Credit Risk

Credit risk is the risk that occurs due to the inability of the parties involved in the business transactions to meet the responsibility to pay the interest or investment returns as agreed when the contract is enforceable. The Commission's exposure to credit risk is via lending activities, general business transactions, cash deposit, investments with licensed financial institutions and investment in corporate bonds.

The Commission manages its credit risk by continuously monitoring the financial standing and credit worthiness of relevant parties to preserve its interest in the transaction involved.

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27. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit Risk (continued)

(i) Analysis of Maximum Exposure to Credit Risk, Collateral and Other Credit Enhancements

At the reporting date, the Commission's maximum exposure to credit risk by class of financial assets are shown in the following table:

| 2024 | Sovereign Financial Assets RM | Non-Sovereign Financial Assets RM | TOTAL RM |
|---|--|--|----------------------|
| Type of Financial Asset | | | |
| Cash and Cash Equivalents | - | 129,711,219 | 129,711,219 |
| Deposits with Licensed Financial Institutions | - | 705,000,000 | 705,000,000 |
| Financial Investments | 285,857,928 | 341,903,036 | 627,760,964 |
| Receivables from Non-Exchange Transactions | - | 1,194,876 | 1,194,876 |
| Receivables from Exchange Transactions | 23,544,292 | 25,643,947 | 49,188,239 |
| Staff Financing | - | 36,139,248 | 36,139,248 |
| | 309,402,220 | 1,239,592,326 | 1,548,994,546 |

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27. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit Risk (continued)

(i) Analysis of Maximum Exposure to Credit Risk, Collateral and Other Credit Enhancements (continued)

| 2023 | Sovereign Financial Assets RM | Non-Sovereign Financial Assets RM | TOTAL RM |
|---|--|--|----------------------|
| Type of Financial Asset | | | |
| Cash and Cash Equivalents | - | 183,322,744 | 183,322,744 |
| Deposits with Licensed Financial Institutions | - | 615,000,000 | 615,000,000 |
| Financial Investments | 276,595,225 | 287,977,007 | 564,572,232 |
| Receivables from Non-Exchange Transactions | - | 4,137,472 | 4,137,472 |
| Receivables from Exchange Transactions | 11,629,594 | 37,424,214 | 49,053,808 |
| Staff Financing | - | 39,850,947 | 39,850,947 |
| | 288,224,819 | 1,167,712,384 | 1,455,937,203 |

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27. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit Risk (continued)

(ii) Aging Analysis for Either Past Due or Impaired

| 2024 | Neither Past Due Nor Impaired | Past Due up to 3 Months | Past Due 3 to 12 Months | Impaired | TOTAL |
|---|-------------------------------|-------------------------|-------------------------|------------------|----------------------|
| Assets | | | | | |
| Cash and Cash Equivalents | 129,711,219 | - | - | - | 129,711,219 |
| Deposits with Licensed Financial Institutions | 705,000,000 | - | - | - | 705,000,000 |
| Financial Investments | 627,760,964 | - | - | - | 627,760,964 |
| Receivables from Non-Exchange Transactions | 1,194,876 | - | - | - | 1,194,876 |
| Receivables from Exchange Transactions | 49,188,239 | - | - | 2,279,192 | 51,467,431 |
| Staff Financing | 36,139,248 | - | - | - | 36,139,248 |
| | 1,548,994,546 | - | - | 2,279,192 | 1,551,273,738 |

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27. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit Risk (continued)

(ii) Aging Analysis for Either Past Due or Impaired (continued)

| 2023 | Neither Past Due Nor Impaired | Past Due up to 3 Months | Past Due 3 to 12 Months | Impaired | TOTAL |
|---|-------------------------------|-------------------------|-------------------------|------------------|----------------------|
| Assets | | | | | |
| Cash and Cash Equivalents | 183,322,744 | - | - | - | 183,322,744 |
| Deposits with Licensed Financial Institutions | 615,000,000 | - | - | - | 615,000,000 |
| Financial Investments | 564,572,232 | - | - | - | 564,572,232 |
| Receivables from Non-Exchange Transactions | 4,137,472 | - | - | - | 4,137,472 |
| Receivables from Exchange Transactions | 49,053,808 | - | - | 2,264,625 | 51,318,433 |
| Staff Financing | 39,850,947 | - | - | - | 39,850,947 |
| | 1,455,937,203 | - | - | 2,264,625 | 1,458,201,828 |

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27. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit Risk (continued)

(ii) Aging Credit Quality

| 2024 | Sovereign RM | Strong RM | Moderate RM | Sub- Standard RM | Non-Rated RM | Impaired RM | TOTAL RM |
|---|--------------------|--------------------|--------------------|------------------------|-------------------|------------------|----------------------|
| Assets | | | | | | | |
| Cash and Cash Equivalents Tunai | 129,711,219 | - | - | - | - | - | 129,711,219 |
| Deposits with Licensed Financial Institutions | - | 705,000,000 | - | - | - | - | 705,000,000 |
| Financial Investments | - | - | 627,760,964 | - | - | - | 627,760,964 |
| Receivables from Non-Exchange Transactions | - | - | - | 1,194,876 | - | - | 1,194,876 |
| Receivables from Exchange Transactions | - | - | - | 49,188,239 | - | 2,279,192 | 51,467,431 |
| Staff Financing | - | - | - | 4,860,360 | 31,278,888 | - | 36,139,248 |
| | 129,711,219 | 705,000,000 | 627,760,964 | 55,243,475 | 31,278,888 | 2,279,192 | 1,551,273,738 |

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27. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit Risk (continued)

(ii) Aging Credit Quality (continued)

| | 2023 | | | | | | | TOTAL RM |
|---|--------------------|--------------------|--------------------|------------------------|-------------------|------------------|----------------------|-------------|
| | Sovereign RM | Strong RM | Moderate RM | Sub- Standard RM | Non-Rated RM | Impaired RM | | |
| Assets | | | | | | | | |
| Cash and Cash Equivalents | 183,322,744 | - | - | - | - | - | - | 183,322,744 |
| Deposits with Licensed Financial Institutions | - | 615,000,000 | - | - | - | - | - | 615,000,000 |
| Financial Investments | - | - | 564,572,232 | - | - | - | - | 564,572,232 |
| Receivables from Non-Exchange Transactions | - | - | - | 4,137,472 | - | - | - | 4,137,472 |
| Receivables from Exchange Transactions | - | - | - | 49,053,808 | - | 2,264,625 | - | 51,318,433 |
| Staff Financing | - | - | - | 5,261,110 | 34,589,837 | - | - | 39,850,947 |
| | 183,322,744 | 615,000,000 | 564,572,232 | 58,452,390 | 34,589,837 | 2,264,625 | 1,458,201,828 | |

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27. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit Risk (continued)

The Commission is committed to conducting periodic reviews to reassess the credit quality of our financial instruments and ensure that the assigned credit ratings accurately reflect their risk profiles. Any changes in credit ratings resulting from these reviews, including compliance with relevant accounting standards and regulations, will be disclosed in financial statements and related reports. The Commission provide detailed explanations for these changes with emphasising the reasons behind the adjustments and the potential impact on the risk profile of the instruments.

(c) Liquidity Risk

Liquidity and cash flow risk refer to the potential inability to meet financial obligations in a timely manner due to insufficient funds. The Commission acknowledges this risk and takes measures to manage it effectively. To address liquidity risk, the Commission continuously monitors its projected cash outflows and inflows. This allows for better cash flow management and ensures that the Commission maintains a strong financial position with ample liquidity to meet its obligations. In addition, the Commission ensures that its assets are sufficiently liquid and readily available when needed. It achieves this by placing a certain amount of cash and easily convertible deposits with licensed financial institutions. These funds are set aside based on the estimated financial commitments that will become due for settlement. By maintaining a suitable level of liquid assets, the Commission can mitigate the liquidity risk and ensure the availability of funds when required.

By actively monitoring cash flows, maintaining sufficient liquidity, and strategically managing its assets, the Commission strives to minimise liquidity and cash flow risk and maintain financial stability.

| Financial Liability Category | Maturity Period |
|-------------------------------------|------------------------|
| Short-term Debt | 1 year or less |
| Long-term Debt | More than 1 year |

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27. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity Risk (continued)

The table below summarise the maturity profile of the Commission financial liabilities based on undiscounted repayment obligations:

| 2024 | Less than 12 Months RM | More than 12 Months RM | TOTAL RM |
|---|------------------------------|------------------------------|--------------------|
| Financial Liabilities | | | |
| Payables from exchange transactions | 58,301,366 | - | 58,301,366 |
| Federal Consolidated Fund | 65,528,383 | - | 65,528,383 |
| Provision for employee benefits | 3,074,427 | 74,353,644 | 77,428,071 |
| Total Financial Liabilities at Fair Value Through Surplus or Deficit | 126,904,176 | 74,353,644 | 201,257,820 |

The table below summarise the maturity profile of the Commission financial liabilities based on undiscounted repayment obligations:

| 2023 | Less than 12 Months RM | More than 12 Months RM | TOTAL RM |
|---|------------------------------|------------------------------|--------------------|
| Financial Liabilities | | | |
| Payables from exchange transactions | 77,345,340 | - | 77,345,340 |
| Federal Consolidated Fund | 79,098,518 | - | 79,098,518 |
| Provision for employee benefits | 2,001,586 | 64,146,167 | 66,147,753 |
| Total Financial Liabilities at Fair Value Through Surplus or Deficit | 158,445,444 | 64,146,167 | 222,591,611 |

(d) Operational Risk

Operational risk is the risk of losses that exists due to the failure of organisation's internal control processes. Therefore, operational risk management approach is planned and consistently adopted by the Commission to align its strategies, policies, processes, technologies and enhancing knowledge among its staff to create value add and continuous improvement of work processes. In addition to practicing good corporate governance to ensure the implementation of comprehensive internal control.

By implementing these measures, the Commission aims to mitigate operational risks, protect its financial interests, and maintain trust and confidence among stakeholders.

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NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

28. FAIR VALUE

(a) Determination of Fair Value and Fair Value Hierarchy

The fair value represents the estimated market value of an asset or liability at a specific point in time. The fair value hierarchy provides a framework for categorising the inputs used in determining fair value. The fair value hierarchy consists of three levels:

(i) Financial Instruments in Level 1, Quoted Prices in Active Markets

This level includes financial instruments for which the fair value is based on observable market prices from active markets. These prices are readily available and can be easily accessed, such as listed stocks or bonds.

(ii) Financial Instruments in Level 2, Inputs other than Quoted Prices

This level includes financial instruments for which the fair value is determined using observable inputs other than quoted market prices. These inputs may include market data for similar instruments, interest rates, yield curves, volatilities and foreign exchange rates or benchmark pricing. These would include government securities and corporate bonds.

(iii) Financial Instruments in Level 3, Unobservable Inputs

This level comprises financial instruments for which the fair value is estimated using unobservable inputs. These inputs are not based on observable market data and require judgment and assumptions. Level 3 inputs are typically used for instruments that are not actively traded or for which market prices are not readily available.

(b) Financial Instruments Measured at Fair Value and The Fair Value Hierarchy

The fair value of the financial instruments and valuation technique and inputs used to determine the fair value.

(c) Fair Value of Financial Instruments Not Carried at Fair Value

(i) Cash and Cash Equivalents, Deposits with Licensed Financial Institutions, Receivables and Payables

The carrying amount of these financial assets and liabilities are reasonable approximation of fair value due to their short-term nature or are repayable on demand.

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NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

28. FAIR VALUE (continued)

(c) Fair Value of Financial Instruments Not Carried at Fair Value (continued)

(ii) Staff Financing

The carrying amount of staff financing is approximate to fair value which are estimated by discounting the estimated future cash flows using the market interest rates for financial assets with similar risk profile.

(d) Reconciliation of Level 3 Fair Valuation of Financial Investments

Reconciliation to Level 3 fair value valuation is prepared for financial investments designated as held-to-maturity. These reconciliations ensure that the assigned fair value accurately reflects the risk and value of the financial instruments.

29. TRANSITION TO MPSAS

The Commission transitioned to the Malaysian Public Sector Accounting Standards (MPSAS) on 01 January 2022. As a first-time adopter, the Commission prepared its opening statement of financial position based on MPSAS requirements. According to MPSAS 33, a first-time adopter has a period of up to three (3) years to recognise and measure certain assets and liabilities.

In the Commission's transition to accrual basis MPSAS, it utilised this transitional exemption for the following:

(i) Intangible Assets

The Commission does not separately identify intangible asset costs from Property, Fittings and Equipment. The Commission will identify and separate intangible asset costs to achieve more accurate cost, Note 3.6.

(ii) Deferred Tax

The Commission for a period of does not providing deferred tax in the financial statements. The Commission will provide accurate recognition and disclosure of deferred tax once the transition to MPSAS is completed, Note 3.9.

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NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

29. TRANSITION TO MPSAS (continued)

In the Commission's transition to accrual basis MPSAS, it utilised this transitional exemption for the following:
(continued)

(iii) Non-Exchange Transactions

The Commission did not recognise revenue from non-exchange transactions, including service revenue and compound receipts, in the accrual basis. Note 3.13.

These transitional exemptions to ensure a smooth transition to the accrual basis MPSAS.

The transition to MPSAS includes restatement of certain accounts in the Commission's financial statements to reflect the adjustments and reclassifications pursuant to the requirements of previous accounting policies under MPERS and current accounting policies under MPSAS.