Registration No.: 198801003774 (171131-U)

MALAYSIAN-GERMAN CHAMBER OF COMMERCE AND INDUSTRY

(Incorporated in Malaysia, Limited by Guarantee)

REPORTS AND FINANCIAL STATEMENTS
31 DECEMBER 2024

Registration No.: 198801003774 (171131-U)

MALAYSIAN-GERMAN CHAMBER
OF COMMERCE AND INDUSTRY
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS - 31 DECEMBER 2024

CONTENTS

MALAYSIAN-GERMAN CHAMBER
OF COMMERCE AND INDUSTRY
(Incorporated in Malaysia)

CORPORATE INFORMATION

DOMICILE	:	Malaysia
LEGAL FORM AND PLACE OF INCORPORATION	:	A non-profit organisation limited by guarantee incorporated in Malaysia under the Companies Act 2016
REGISTERED OFFICE AND PRICIPAL PLACE OF BUSINESS	:	Lot 20-01, Level 20 Menara Hap Seng 2 Plaza Hap Seng No. 1, Jalan P. Ramlee 50250 Kuala Lumpur

MALAYSIAN-GERMAN CHAMBER
OF COMMERCE AND INDUSTRY
(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The directors have pleasure in submitting their report and the audited financial statements of the Chamber for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Chamber is a non-profit making organisation and its principal activities include the promotion of bilateral trade, services and investments between Malaysia and Germany.

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

RESULTS

	RM
Surplus for the financial year	44,949

DIVIDENDS

The Memorandum of Association of the Chamber does not provide for dividends to be paid to members.

RESERVES AND PROVISIONS

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

DIRECTORS

The directors in office during the period commencing from the beginning of the financial year to the date of this report are:

Sim Chui Chui	
Peter Lenhardt	
Lau Wai Lan @ Wendy Lorraine Lau	
Martin Franz Rudolf Metzger	
Arokiasamy A/L Thangaraju	
Tim Groth	
Yee Hee Hoon	
Geetha Kandiah	
Teoh Tsu - Shien	
Muhammad Azmi Bin Zulkifli	
Florian Franz Herrmann	
Marco Neelsen	
Eva Fatima Maegerlein	
Arne Graeber	
Jan Michael Noether	(Appointed on 1 May 2024)
Johann Daniel Maximilian Bernbeck	(Resigned on 29 February 2024)
Ng Kian Ann	(Resigned on 23 August 2024)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director or past director of the Chamber has received or become entitled to receive any benefit, other than remuneration as presented below, by reason of a contract made by the Chamber or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Remuneration of the directors or past directors of the Chamber during the financial year are as follows:

	RM
Salary, bonus and other benefits	1,178,411

INDEMNITY AND INSURANCE COST

The Directors and officers of the Chamber are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year amounted to RM13,900. No indemnity was given to or insurance effected for auditors of the Chamber.

OTHER INFORMATION

Before the financial statements of the Chamber were made out, the directors took reasonable steps:

(a) to ascertain that appropriate action has been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that allowance for doubtful debts was not required; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the financial statements of the Chamber had been written down to an amount which they might be expected so to realise.

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

(a) which would render the amount written off for bad debts inadequate to any substantial extent or necessary to make an allowance for doubtful debts in the financial statements of the Chamber, or

(b) which would render the values attributed to current assets in the financial statements of the Chamber misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Chamber misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements of the Chamber which would render any amount stated in the financial statements misleading.

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

(a) any charge on the assets of the Chamber which has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Chamber which has arisen since the end of the financial year.

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

In the opinion of the directors:

(a) the result of the operations of the Chamber during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Chamber for the financial year in which this report is made.

AUDITORS

To the extent permitted by laws, the Chamber has agreed to indemnify its auditors, as part of the terms of its audit engagement, against claims arising from the audit. No payment has been made to indemnify the auditors for the current financial year.

The total amount of fees paid to or receivable by the auditors as remuneration for their services as auditors of the Chamber for the current financial year is RM26,000.

The auditors, Forvis Mazars PLT *(formerly known as Mazars PLT)*, Chartered Accountants, have expressed their willingness to accept re-appointment.

APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the board of directors, and signed on behalf of the board of directors in accordance with a directors' resolution.

JAN MICHAEL NOETHER
Director

GEETHA KANDIAH
Director

20 MAR 2025

MALAYSIAN-GERMAN CHAMBER OF COMMERCE AND INDUSTRY
(Incorporated in Malaysia)

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

We, Jan Michael Noether and Geetha Kandiah being the directors of Malaysian-German Chamber Of Commerce And Industry, do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Chamber as at 31 December 2024 and financial performance and cash flows of the Chamber for the financial year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

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

JAN MICHAEL NOETHER
Director

GEETHA KANDIAH
Director

20 MAR 2025

MALAYSIAN-GERMAN CHAMBER OF COMMERCE AND INDUSTRY
(Incorporated in Malaysia)

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

I, Jan Michael Noether (Passport No.: C46WCK7C8), being the director primarily responsible for the financial management of Malaysian-German Chamber Of Commerce And Industry, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly declared
by the abovenamed
Jan Michael Noether
at Kuala Lumpur,
in the Federal Territory
this 20 MAR 2025

JAN MICHAEL NOETHER

Before me:

PESURUHJAYA SUMPAH
W728
HJ. WAN AZMAN B.
HJ. WAN ABDULLAH
1 JAN 2024 - 31 DEC 2026
MALAYSIA

Suite 2-5-4, 5th Floor
Menara KLH Business Centre
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forvis mazars

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Malaysia
Tel: +60 3 2702 5222
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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
MALAYSIAN-GERMAN CHAMBER OF COMMERCE AND INDUSTRY
Registration No.: 198801003774 (171131-U)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Malaysian-German Chamber Of Commerce And Industry (the "Chamber"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in fund and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 12 to 42.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Chamber as at 31 December 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards as issued by Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Chamber in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants* ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Chamber are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Chamber and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Chamber are responsible for the preparation of financial statements of the Chamber that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Chamber that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Chamber, the directors are responsible for assessing the Chamber's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Chamber or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Chamber as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements of the Chamber, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Chamber's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Chamber's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Chamber or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Chamber to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Chamber, including the disclosures, and whether the financial statements of the Chamber represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other Matters

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

Forvis Mazars PLT
(formerly known as Mazars PLT)
201706000496 (LLP0010622-LCA)
AF 001954
Chartered Accountants

Chong Fah Yow
03004/07/2026 J
Chartered Accountant

Kuala Lumpur

20 March 2025

ID_6581

MALAYSIAN-GERMAN CHAMBER OF COMMERCE AND INDUSTRY
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	2024 RM	2023 RM
ASSETS			
Non-current assets			
Plant and equipment	*4*	790,497	945,212
Right-of-use assets	*5*	2,332,703	2,873,259
Total non-current assets		3,123,200	3,818,471
Current assets			
Trade receivables	*6*	523,507	1,549,598
Other receivables, deposits and prepayments	*7*	691,796	391,843
Fixed deposits with licensed banks	*8*	2,267,522	2,309,034
Cash and cash equivalents	*9*	2,755,216	3,539,887
Total current assets		6,238,041	7,790,362
TOTAL ASSETS		9,361,241	11,608,833
LIABILITIES AND ACCUMULATED FUND			
Non-current liabilities			
Lease liabilities	*10*	1,757,371	2,332,703
Current liabilities			
Trade payables	*11*	50,221	-
Other payables and accruals	*12*	2,762,549	4,564,755
Lease liabilities	*10*	575,332	540,556
Total current liabilities		3,388,102	5,105,311
Total liabilities		5,145,473	7,438,014
Accumulated fund		4,215,768	4,170,819
TOTAL FUND AND LIABILITIES		9,361,241	11,608,833

The accompanying notes form an integral part of the financial statements

MALAYSIAN-GERMAN CHAMBER OF COMMERCE AND INDUSTRY
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM	2023 RM
Revenue			
Entrance fees and subscriptions		1,289,134	1,181,546
Trade promotions, fairs and direct mailing		2,511,394	2,325,574
Subsidies from DIHK, Berlin		4,489,309	4,257,199
Interest income		85,948	49,127
Other income		491,100	551,656
Membership activities		487,271	445,954
Gain on foreign exchange		62,046	34,761
Site analysis		22,283	60,478
Vocational education		756,875	634,270
		10,195,360	9,540,565
Less: Expenditure			
Staff costs	*13*	4,470,908	4,254,279
Directors' remuneration	*14*	1,178,411	1,254,191
Operational and administrative costs	*15*	4,501,092	3,562,562
		10,150,411	9,071,032
Surplus for the financial year / Total comprehensive income for the financial year		44,949	469,533

The accompanying notes form an integral part of the financial statements

MALAYSIAN-GERMAN CHAMBER OF COMMERCE AND INDUSTRY
(Incorporated in Malaysia)

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

	RM
At 1 January 2023	3,701,286
Surplus for the financial year/ Total comprehensive income for the financial year	469,533
At 31 December 2023	4,170,819
Surplus for the financial year/ Total comprehensive income for the financial year	44,949
At 31 December 2024	4,215,768

MALAYSIAN-GERMAN CHAMBER OF COMMERCE AND INDUSTRY
(Incorporated in Malaysia)

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

	2024 RM	2023 RM
OPERATING ACTIVITIES		
Surplus for the financial year	44,949	469,533
Adjustments for:		
Bad debts written off	43,802	10,982
Bad debts recovered	-	(36,490)
Depreciation of plant and equipment	344,861	371,411
Depreciation of right-of-use assets	540,556	540,556
Loss from disposal of plant and equipment	2,584	-
Plant and equipment written off	27,160	3,081
Interest expense on lease liabilities	163,683	163,683
Unrealised loss/(gain) on foreign exchange	154,242	(22,549)
Interest income	(85,948)	(49,127)
Operating profit before working capital changes	1,235,889	1,451,080
Changes in receivables	678,402	(73,167)
Changes in payables	(1,751,985)	810,338
Net cash generated from operating activities	162,306	2,188,251
INVESTING ACTIVITIES		
Placement of fixed deposits	(50,000)	(240,886)
Purchase of plant and equipment	(238,148)	(704,892)
Proceed from disposal of plant and equipment	18,258	-
Interest received	177,460	49,127
Net cash used in investing activities	(92,430)	(896,651)

	2024 RM	2023 RM
FINANCING ACTIVITIES		
Repayment of lease liabilities	(540,556)	(540,556)
Interest paid	(163,683)	(163,683)
Net cash used in financing activities	(704,239)	(704,239)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(634,363)	587,361
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	(150,308)	22,176
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	3,539,887	2,930,350
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	2,755,216	3,539,887

MALAYSIAN-GERMAN CHAMBER
OF COMMERCE AND INDUSTRY
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

The Chamber is a non-profit making organisation limited by guarantee, incorporated and domiciled in Malaysia. The address of the principal place of business and registered office of the Chamber is disclosed in page 1.

The financial statements were authorised for issued by the Board of Directors in accordance with a resolution of the director dated 20 March 2025.

The principal activities of the Chamber include the promotion of bilateral trade, services and investments between Malaysia and Germany.

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

The Chamber has no share capital and is a Chamber limited by guarantee. Under the Memorandum of Association of the Chamber, the liability of each member is restricted to an amount not exceeding RM100.

2. BASIS OF PREPARATION

The financial statements of the Chamber have been prepared in accordance with MFRS Accounting Standards issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

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

The financial statements have been prepared on the historical cost basis, except for other measurement bases applied, as disclosed in the material accounting policies set out in note 3.

(a) Application of amended standards

In the current financial year, the Chamber has applied Amendments to MFRSs that become effective mandatorily for the financial periods beginning on or after 1 January 2024.

The adoption of these Amendments to MFRSs does not have significant impact on the financial statements of the Chamber.

(b) New or amended standards issued that are not yet effective

The Chamber has not applied the following MFRS and amendments to MFRSs that have been issued by the MASB but are not yet effective:

		Effective date
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10, and MFRS 107	Annual Improvements to MFRS Accounting Standards	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

The adoption of the above MFRS and amendments to MFRSs are not expected to have significant impact on the financial statements of the Chamber when they are effective. The adoption of MFRS 18 will change certain presentation and disclosure in the financial statements. The Chamber is evaluating its impact and plan to adopt MFRS 18 when it is effectively mandatorily.

3. MATERIAL ACCOUNTING POLICIES

(a) Plant and equipment

All items of plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Chamber and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation on plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

The principal annual rates used for this purpose are:

Motor vehicles	20%
Office equipment	10%
Computers	20%
Furniture and fittings	10%
Renovation	20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

(b) Leases

The Chamber as Lessee

Right-of-use assets and corresponding lease liabilities are recognised with respect to all lease agreements, except for short-term leases and leases of low value assets.

For short-term leases (i.e. leases with a lease term of 12 months or less) and leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the rate implicit in the lease or incremental borrowing rate, where applicable. Lease payments included in the measurement of the lease liability comprise: (i) fixed lease payments, less lease incentives; (ii) variable lease payments based upon an index or a rate; and (iii) payments of penalties for terminating the lease.

The right-of-use assets comprise the corresponding lease liability, lease payments made at or before the lease commencement date and initial direct costs. Whenever there is an obligation to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the agreed condition, a provision is recognised. These costs are included in the related right-of-use assets.

Right-of-use assets are measured at cost less accumulated depreciation and impairment losses. They are depreciated over the shorter period of lease term and useful life of the underlying assets.

The depreciation starts on the lease commencement date. The depreciation periods and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

Variable lease payment (not based upon an index or a rate) are recognised as an expense in the period in which it is incurred.

The Chamber as Lessor

Leases are classified as finance leases or operating leases. Whenever the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the lease term. Initial direct costs incurred are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances, deposits with banks and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in fair value with original maturities of three months or less and are used by the Chamber in the management of its short term commitments.

For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(d) Impairment of non-financial assets

Plant and equipment and right-of-use assets are assessed at each reporting period to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

(e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Chamber becomes a party to the contractual provisions of an instrument.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Chamber has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets (with the exception of trade receivables that do not contain a significant financing component) and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition. A trade receivable without a significant financing component is initially measured at its transaction price.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Subsequent Measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are measured subsequently in the following manners:

- at amortised cost (debt instruments);
- at fair value through other comprehensive income ("FVTOCI"), with recycling of cumulative gains and losses (debt instruments);
- designated at FVTOCI, without recycling of cumulative gains and losses (equity instruments); or
- at fair value through profit or loss ("FVTPL").

Financial Assets at Amortised Cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when an asset is derecognised, modified or impaired.

The Chamber reclassifies debt instruments when and only when its business model for managing those assets change.

Impairment of Financial Assets

Loss allowance is recognised for expected credit losses ("ECL") for all debt instruments not held at FVTPL, i.e. financial assets at amortised cost or FVTOCI, receivables and lease receivables.

ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

The Chamber measures the loss allowance of trade receivables, contract assets and lease receivables at an amount equal to their lifetime ECL (i.e. simplified approach). The ECL on these financial assets are estimated based on historical credit loss experience, and where appropriate, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other financial assets, where credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within 12 months after the reporting date. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), a loss allowance is required for credit losses expected over the remaining life of the financial assets.

Definition of Default

The Chamber considers a financial asset to be in default when contractual payments are more than 90 days past due, unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Chamber also considers a financial asset is in default when there is a breach of financial covenants by the debtor; or when there is indication that the debtor is unlikely to settle its indebtedness to the entity in full, without considering any collaterals held by the entity.

Derecognition of Financial Assets

A financial asset is derecognised only when the contractual rights to the cash flows from the financial asset expire; or when the financial asset is transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to another party.

If the Chamber neither transfers nor retains substantially all the risks and rewards of ownership and continues to control a transferred financial asset, the Chamber recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the Chamber retains substantially all the risks and rewards of ownership of a transferred financial asset, the Chamber continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial Liabilities

All financial liabilities are subsequently measured at FVTPL or at amortised cost.

Financial Liabilities at Amortised Cost

These financial liabilities are subsequently measured at amortised cost using the effective interest method.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument or a financial liability by allocating interest income/expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of a debt instrument or a financial liability, to the amortised cost of the debt instrument or the financial liability.

Derecognition of Financial Liabilities

Financial liabilities are derecognised when, and only when, the obligations under the liabilities are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability.

(f) Provisions

Provisions are recognised when the Chamber has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

(g) Revenue

Revenue from contracts with customers

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer net of sales and service tax, returns, rebates and discounts. The Chamber recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(i) Membership subscription is payable annually. Only subscription which is attributable to the current financial year is recognised as income.

(ii) Income from trade promotions, fairs and direct mailing are recognised in the period the services are provided.

(iii) Income from the sale of publications is recognised when physical control of the goods passes to the purchasers.

(iv) Income from membership activities is recognised in the period the services are provided.

Revenue From Other Sources And Other Operating Income

(i) Subsidies

Subsidies from DIHK, Berlin are recognised on receipt of monies by the Chamber.

(ii) Interest Income

Interest income is recognised based on an effective yield basis.

(h) Foreign currencies

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(i) Employee benefits

(i) *Short-term employee benefits*

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Chamber.

(ii) Defined contribution plans

The Chamber's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Chamber has no further liability in respect of the defined contribution plans.

(j) Income taxes

Current tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

Deferred tax

Deferred tax is recognised using the liability method for temporary differences other than those that arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

(k) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities, for which fair value is measured or disclosed, are categorised within the fair value hierarchy set out below based on the inputs that are significant to the fair value measurement. Fair value measurement is derived from:

Level 1: Unadjusted quoted prices in active markets (for identical assets or liabilities).

Level 2: Inputs (other than quoted prices included within Level 1) are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques that include unobservable inputs (not based on observable market data).

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities (if any) at the end of the reporting period and reported amounts of income and expenses during the financial year.

Although these estimates are based on the management's best knowledge of current events and actions, historical experiences and various other factors, including expectations for future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial period in which the estimate is revised and in any future periods affected.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

(i) Depreciation of plant and equipment and right-of-use assets

The estimates for the residual values, useful lives and related depreciation charges for the plant and equipment and right-of-use assets are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Chamber anticipates that the residual values of its plant and equipment and right-of-use assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of plant and equipment and right-of-use assets as at the reporting date is disclosed in Note 4 and Note 5.

(ii) Impairment of plant and equipment and right -of-use assets

The Chamber determines whether an item of its plant and equipment and right-of-use assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of plant and equipment and right-of-use assets as at the reporting date is disclosed in Note 4 and Note 5.

(iii) *Determining the loss allowance for trade in nature receivables*

Management assesses the ECL for trade receivables at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive. Management applies simplified approach of MFRS 9 Financial Instruments in assessing the impairment of trade receivables.

In determining the ECL, management uses historical credit loss experience for trade receivables to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables are impaired in relation to incurred losses, but management is also considering, when applicable, reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL, on an individual and collective basis. The need to consider forward-looking information means that management exercises considerable judgement as to how changes in macroeconomic factors will affect the ECL on trade receivables.

The carrying amount of trade receivables as at the reporting date is disclosed in Note 6.

(iv) *Income taxes*

Significant judgement is involved in determining the capital allowances and deductibility of expenses during the estimation of the provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Chamber recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

<u>Critical Judgement Made in Appling Accounting Policies</u>

Management believes that there are no instances of application of critical judgement in applying the Chamber's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Lease Terms

Some leases contain extension options exercisable by the Chamber before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

4. PLANT AND EQUIPMENT

2024

Cost	Motor vehicles RM	Office equipment RM	Computers RM	Furniture and fittings RM	Renovation RM	Total RM
At 1 January 2024	620,637	319,300	1,412,261	386,930	1,530,255	4,269,383
Additions	-	501	182,647	-	55,000	238,148
Disposal	(267,342)	(4,284)	(69,410)	(6,921)	-	(347,957)
Written-off	-	-	(67,900)	-	-	(67,900)
At 31 December 2024	353,295	315,517	1,457,598	380,009	1,585,255	4,091,674
Accumulated depreciation						
At 1 January 2024	338,000	229,929	957,237	297,009	1,501,996	3,324,171
Charge for the financial year	70,659	26,119	194,805	35,213	18,065	344,861
Disposal	(267,341)	(1,285)	(56,413)	(2,076)	-	(327,115)
Written-off	-	-	(40,740)	-	-	(40,740)
At 31 December 2024	141,318	254,763	1,054,889	330,146	1,520,061	3,301,177
Net carrying amount						
At 31 December 2024	211,977	60,754	402,709	49,863	65,194	790,497

2023	Motor vehicles	Office equipment	Computers	Furniture and fittings	Renovation	Total
Cost	RM	RM	RM	RM	RM	RM
At 1 January 2023	267,342	333,499	1,097,238	386,930	1,494,931	3,579,940
Addition	353,295	-	316,273	-	35,324	704,892
Written-off	-	(14,199)	(1,250)	-	-	(15,449)
At 31 December 2023	620,637	319,300	1,412,261	386,930	1,530,255	4,269,383
Accumulated depreciation						
At 1 January 2023	267,341	211,027	776,085	261,002	1,449,673	2,965,128
Charge for the financial year	70,659	30,021	182,401	36,007	52,323	371,411
Written-off	-	(11,119)	(1,249)	-	-	(12,368)
At 31 December 2023	338,000	229,929	957,237	297,009	1,501,996	3,324,171
Net carrying amount						
At 31 December 2023	282,637	89,371	455,024	89,921	28,259	945,212

5. RIGHT-OF-USE ASSETS

Office premises

	2024 RM	2023 RM
Cost		
At 1 January	2,873,259	3,413,815
Depreciation charges	(540,556)	(540,556)
At 31 December	2,332,703	2,873,259

The Chamber has leased a number of office premises that run 3 years, with an option to renew the lease after that date for another 3 years.

6. TRADE RECEIVABLES

The Chamber's normal trade credit terms is 30 (2023: 30) days. Other credit terms are assessed and approved on a case-by-case basis.

7. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 RM	2023 RM
Other receivables	63,697	-
Deposits	214,269	214,214
Prepayments	413,830	177,629
	691,796	391,843

8. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks at the end of the reporting period bore effective interest rates ranging from 2.50% to 3.50% (2023: 2.70% to 3.50%) per annum. The fixed deposits have maturity periods ranging from 6 to 12 (2023: 6 to 12) months.

9. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	2024 RM	2023 RM
Fixed deposits with licensed banks	2,267,522	2,309,034
Cash and bank balances	2,755,216	3,539,887
	5,022,738	5,848,921
Less: Fixed deposits with licenced banks with maturities more than three months	(2,267,522)	(2,309,034)
	2,755,216	3,539,887

10. LEASE LIABILITIES

	2024 RM	2023 RM
At 1 January	2,873,259	3,413,815
Non-cash:		
Interest expense recognised in profit or loss	163,683	163,683
Cash flows:		
Repayment of principal	(540,556)	(540,556)
Repayment of interest expenses	(163,683)	(163,683)
At 31 December	2,332,703	2,873,259
Analysed by:		
Current liabilities	575,332	540,556
Non-current liabilities	1,757,371	2,332,703
	2,332,703	2,873,259

The total cash outflows for leases are as follows:

	2024 RM	2023 RM
Payment of lease liabilities	540,556	540,556
Interest paid on lease liabilities	163,683	163,683
	704,239	704,239

11. TRADE PAYABLES

The normal trade credit terms granted to the Chamber is 30 (2023: 30) days.

12. OTHER PAYABLES AND ACCRUALS

	2024 RM	2023 RM
Other payables	1,217,279	1,285,273
Deposits	80,454	90,209
Advances receipts	621,071	1,732,562
Accruals	776,711	1,406,519
Sales and service tax payable	67,034	50,192
	2,762,549	4,564,755

13. STAFF COSTS

	2024 RM	2023 RM
Salaries and bonus	3,515,116	3,610,092
Statutory contributions	443,357	463,487
Other	512,435	180,700
	4,470,908	4,254,279

14. DIRECTORS' REMUNERATION

	2024 RM	2023 RM
Short-term employee benefits		
- salary, bonus and other benefits	1,178,411	1,254,191

15. OPERATIONAL AND ADMINISTRATIVE COSTS

	2024 RM	2023 RM
Audit fee	26,000	25,000
Bank charges	22,721	21,572
Bad debts written off	43,802	10,982
Chamber expenses	910,074	577,143
Delegation tours expenses	-	47,390
Depreciation:		
- plant and equipment	344,861	371,411
- right-of-use assets	540,556	540,556
Education and training	26,949	58,680
Entertainment	21,362	12,713
Insurance	25,599	24,601
Interest expense on lease liabilities	163,683	163,683
IT equipment maintenance	364,564	280,651
Loss from disposal of plant and equipment	2,584	-
Loss on foreign exchange		
- realised	30,911	40,387
- unrealised	154,242	8
Newsletter expenses	100,910	83,802
Office equipment maintenance	3,277	4,668
Office maintenance	187,023	82,566
Periodicals, books and newspapers	8,421	9,989
Plant and equipment written off	27,160	3,081
Postage, telex and freight	9,684	17,548
Printing and stationery	11,620	7,708
Professional fees/honorary commission	379,361	480,807
Project expenses	219,318	41,982
Public relations	2,087	7,361
Refund of subsidy	305,578	198,224
Subscription fee	16,038	550
Sundry expenses	30,618	24,315
Telephone and telefax	67,107	62,366
Trade fair representation	14,201	6,888
Travelling expenses	276,097	219,164
Vehicle maintenance and parking	10,789	40,529
Vocational education	153,895	96,237
	4,501,092	3,562,562

16. INCOME TAX EXPENSE

The Chamber is not liable to tax for the current financial year, mainly due to part of the subscription fees and the subsidies from DIHK, Berlin received by the Chamber, which are exempted from tax.

For income tax purpose, the Chamber is treated as "Trade Association" under Section 53(3) of the Income Tax Act, 1967, under which its income is taxed at scale rates.

A reconciliation of income tax expense applicable to the surplus for the financial year at the statutory tax rate to income tax expense at the effective tax rate of the Chamber is as follow:

	2024 RM	2023 RM
Surplus for the financial year	44,949	469,533
Tax at the statutory tax rate of 24% (2023: 24%)	10,788	112,688
Tax effects of:		
Non-deductible expenses	770,218	628,608
Non-taxable income	(777,411)	(705,120)
Movement of deferred tax assets not recognised during the financial year	(3,595)	(36,176)
	-	-

No deferred tax assets are recognised in respect of the following items:

	2024 RM	2023 RM
Unused tax losses:		
- expires in year of assessment 2028	4,515,953	5,155,047
- expires in year of assessment 2029	1,487,889	1,487,889
- expires in year of assessment 2030	1,854,177	1,854,177
- expires in year of assessment 2031	837,766	837,766
- expires in year of assessment 2032	842,350	842,350
- expires in year of assessment 2033	1,305,350	1,305,350
- expires in year of assessment 2034	645,448	-
Unabsorbed capital allowances	1,424,148	1,465,633
Other deductible temporary difference	(201,050)	(221,198)
	12,712,031	12,727,014

The unused tax losses are allowed to be utilised for 10 (2023: 10) consecutive years of assessment while the unabsorbed capital allowances are allowed to be carried forward indefinitely.

17. FINANCIAL INSTRUMENTS

The Chamber's activities are exposed to a variety of market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Chamber's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Chamber's financial performance.

17.1. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Chamber's policies in respect of the major area of treasury activity are as follows:

(a) Market risk

Foreign currency risk

The Chamber is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Chamber. The currencies giving rise to this risk are primarily Euro ("EUR"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Chamber also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The Chamber's exposure to foreign currency risk (i.e. currency which is other than Ringgit Malaysia) that based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:

Foreign currency exposure

	Euro RM	Ringgit Malaysia RM	Total RM
2024			
Financial Assets			
Trade receivables	206,494	317,013	523,507
Other receivables and deposits	-	691,796	691,796
Fixed deposits with licensed banks	-	2,267,522	2,267,522
Cash and cash equivalents	1,418,163	1,337,053	2,755,216
	1,624,657	4,613,384	6,238,041
Financial Liabilities			
Trade payables	7,632	42,589	50,221
Other payables and accruals	-	2,762,549	2,762,549
	7,632	2,805,138	2,812,770
Net financial assets	1,617,025	1,808,246	3,425,271

2023	Euro RM	Ringgit Malaysia RM	Total RM
Financial Assets			
Trade receivables	254,173	1,295,425	1,549,598
Other receivables and deposits	-	391,843	391,843
Fixed deposits with licensed banks	-	2,309,034	2,309,034
Cash and cash equivalents	768,856	2,771,031	3,539,887
	1,023,029	6,767,333	7,790,362
Financial Liabilities			
Other payables and accruals	-	4,564,755	4,564,755
Net financial assets	1,023,029	2,202,578	3,225,607

Foreign currency risk sensitivity analysis

If Euro was to strengthen or weaken by 5% against the Chamber's functional currency with all other variables held constant as at the reporting date, the surplus after tax would increase/(decrease) approximately as follows:

	Effect on surplus after tax 2024 RM	2023 RM
EUR	61,400	39,000

(b) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Chamber's exposure to interest rate risk arises mainly from interest-bearing financial assets. The Chamber's policy is to obtain the most favourable interest rates available. Any surplus funds of the Chamber will be placed with licensed financial institutions to generate interest income.

The Chamber is not exposed to interest rate risk as the interest-bearing financial assets carry fixed interest rates. As such, sensitivity analysis is not disclosed.

(c) Credit risk

The Chamber's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Chamber manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Chamber minimises credit risk by dealing exclusively with high credit rating counterparties.

Credit risk concentration profile

The Chamber does not have any major concentration of credit risk related to any individual customer or counterparty.

In addition, the Chamber also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:

	2024 RM	2023 RM
Germany	240,902	313,408
Singapore	-	14,390
China	1,725	7,295
Australia	1,237	-
Netherland	-	1,660
Hong Kong	-	1,660
Malaysia	270,497	1,211,185
Sri Lanka	1,237	-
Philippine	2,961	-
Indonesia	1,237	-
Taiwan	1,237	-
Japan	1,237	-
India	1,237	-
	523,507	1,549,598

Maximum exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Chamber after deducting any allowance for impairment losses (where applicable).

Assessment of impairment losses

At each reporting date, the Chamber assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when the receivable is in significant financial difficulties.

The Chamber considers a receivable to be in default when the receivable is unlikely to repay its debt to the Chamber in full or is more than 120 days past due.

Trade Receivables

The Chamber applies the simplified approach to measuring expected credit losses using a lifetime expected credit loss allowance for its trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing. The expected loss rates are based on the Chamber's historical credit losses experienced. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

The Chamber measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The Chamber believes that no impairment allowance is necessary in respect of its trade receivables because the probability of default by these trade receivables were negligible.

Other Receivables

The Chamber applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Chamber considers the receivable's past payment status and its reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

No expected credit loss is recognised on other receivables as it is negligible.

Fixed Deposits with Licensed Banks and Cash and Cash Equivalents

The Chamber considers licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Chamber is of the view that the loss allowance is immaterial and hence, it is not provided for.

(d) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Chamber practises prudent risk management by maintaining sufficient cash balances.

Maturity analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, it floating, based on the rates at the end of the reporting period):

	Effective interest rate %	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 – 5 years RM	More than 5 years RM
2024						
Non-derivative financial liabilities						
Trade payables	-	50,221	50,221	50,221	-	-
Other payables and accruals	-	2,762,549	2,762,549	2,762,549	-	-
Lease liabilities	5.7% - 6.5%	2,332,703	2,662,942	704,239	1,958,703	-
		5,145,437	5,475,472	3,517,009	1,958,703	-
2023						
Non-derivative financial liabilities						
Other payables and accrual	-	4,564,755	4,564,755	4,564,755	-	-
Lease liabilities	5.7% - 6.5%	2,873,259	3,367,180	704,239	2,662,941	-
		7,438,014	7,931,935	5,268,994	2,662,941	-

17.2. CAPITAL RISK MANAGEMENT

The Chamber manages its capital to safeguard the Chamber's function, which is to promote bilateral trade, services and investments between Malaysia and Germany and to provide capital for the purpose of strengthening the Chamber's operational efficiency.

The Chamber regularly reviews and manages its capital to ensure adequacy for both operational and capital needs. All surpluses are transferred to the accumulated fund for future operations.

17.3. CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2024 RM	2023 RM
Amortised cost		
Financial assets		
Trade receivables	523,507	1,549,598
Other receivables and deposit	277,966	214,514
Fixed deposits with licensed banks	2,267,522	2,309,034
Cash and cash equivalents	2,755,216	3,539,887
	5,824,211	7,613,033
Financial liabilities		
Trade payables	50,221	-
Other payables and accruals	2,762,549	4,564,755
	2,812,770	4,564,755

17.4. FAIR VALUE INFORMATION

At the end of the reporting period, there were no financial instruments carried at fair values on recurring basis in the statement of financial position.

The fair values of the financial assets and financial liabilities of the Chamber that maturing within the next 12 months approximated their carrying amounts due to the relatively short- term maturity of the financial instruments.