

Company No.

510087

M

CANCER RESEARCH MALAYSIA

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

STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2017

3071A8/nm

Company No.

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CANCER RESEARCH MALAYSIA
(Incorporated in Malaysia as a company
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TRUSTEES

Toh Puan Dato' Seri Hajjah Dr Aishah Ong
Lim Siew Lian
Abd. Hamid bin Ibrahim
Tengku Datuk Seri Ahmad Shah Al-Haj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Al-Haj
Alan Hamzah Sendut
Tan Sri Dato' Dr Ir Gan Thian Leong
Dato' Leong Kwei Chun
Leela Barrock (Appointed on 5 May 2017)

SECRETARIES

Chua Siew Chuan
Chin Mun Yee

AUDITORS

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

REGISTERED OFFICE

Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Height
50490 Kuala Lumpur
Wilayah Persekutuan

PRINCIPAL PLACE OF BUSINESS

2nd Floor, Outpatient Centre
Sime Darby Medical Centre Subang Jaya
47500 Subang Jaya
Selangor Darul Ehsan
Malaysia

Company No.

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CANCER RESEARCH MALAYSIA

(Incorporated in Malaysia as a company
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TRUSTEES' REPORT

The Trustees hereby submit their report together with the audited financial statements of the Economic Entity and of the Foundation for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the Foundation is to receive and administer funds for cancer research purposes. There have been no significant changes in the nature of this activity during the financial year.

The Foundation's joint venture is principally involved in rendering of services and products based in cell biology and cell culture technology.

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

FINANCIAL RESULTS

	<u>Economic Entity</u> RM	<u>Foundation</u> RM
Excess of expenditure over income for the financial year	<u>980,533</u>	<u>980,533</u>

RESERVES AND PROVISIONS

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

BOARD OF TRUSTEES

The members of the Board of Trustees in office during the financial year and from the end of the financial year to the date of the report are:

Toh Puan Dato' Seri Hajjah Dr Aishah Ong
Lim Siew Lian
Abd. Hamid bin Ibrahim
Tengku Datuk Seri Ahmad Shah Al-Haj ibni
Almarhum Sultan Salahuddin Abdul Aziz Shah Al-Haj
Alan Hamzah Sendut
Tan Sri Dato' Dr Ir Gan Thian Leong
Dato' Leong Kwei Chun
Leela Barrock

(Appointed on 5 May 2017)

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CANCER RESEARCH MALAYSIA
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TRUSTEES' REPORT (CONTINUED)

TRUSTEES' BENEFITS

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

During and at the end of the financial year, no arrangements subsisted to which the Foundation is a party, being arrangements with the object or objects of enabling the Trustees of the Foundation to acquire benefits by means of the acquisition of shares in, or debentures of, the Foundation or any other body corporate.

No trustees has received any remuneration during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Economic Entity and of the Foundation were prepared, the Trustees took reasonable steps:

- (a) to ascertain that proper action had 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 adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, which were unlikely to realise in the ordinary course of business including the values of current assets as shown in the accounting records of the Economic Entity and of the Foundation, have been written down to an amount which the current assets might be expected so to realise.

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

- (a) which would render the amounts written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Economic Entity and of the Foundation inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Economic Entity and of the Foundation misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Economic Entity and of the Foundation misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Trustees, will or may substantially affect the ability of the Economic Entity and of the Foundation to meet their obligations when they fall due.

CANCER RESEARCH MALAYSIA
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TRUSTEES' REPORT (CONTINUED)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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

- (a) any charge on the assets of the Economic Entity and of the Foundation which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Economic Entity and of the Foundation which has arisen since the end of the financial year.

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

In the opinion of the Trustees:

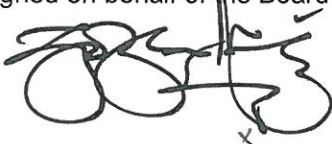
- (a) the results of the Economic Entity's and of the Foundation's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature that is likely to affect substantially the results of the operations of the Economic Entity and of the Foundation for the financial year in which this report is made.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) was registered on 2 January 2018 and with effect from that date, PricewaterhouseCoopers (AF 1146), a conventional partnership was converted to a limited liability partnership.

This report was approved by the Board of Trustees on 27 June 2018.
Signed on behalf of the Board of Trustees:



TAN SRI DATO' DR IR
GAN THIAN LEONG
TRUSTEE



ABD. HAMID BIN IBRAHIM
TRUSTEE

Kuala Lumpur

CANCER RESEARCH MALAYSIA(Incorporated in Malaysia as a company
limited by guarantee and not having a share capital)**INCOME AND EXPENDITURE STATEMENTS****FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	<u>Note</u>	<u>Economic Entity</u>		<u>Foundation</u>	
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
		<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
INCOME					
Donations		5,355,008	6,117,020	5,355,008	6,117,020
Research grants		2,034,547	759,600	2,034,547	759,600
Other income		110,996	91,971	110,996	91,971
Interest income		421,371	234,379	421,371	234,379
		<u>7,921,922</u>	<u>7,202,970</u>	<u>7,921,922</u>	<u>7,202,970</u>
LESS: EXPENDITURE					
Staff costs	5	(3,781,216)	(3,392,335)	(3,781,216)	(3,392,335)
Research expenditure		(1,667,109)	(1,084,165)	(1,667,109)	(1,084,165)
Depreciation of property, plant and equipment		(1,095,785)	(1,027,812)	(1,095,785)	(1,027,812)
Loss on disposal of property, plant and equipment		(161,978)	-	(161,978)	-
Write-off of property, plant and equipment		-	(12,593)	-	(12,593)
Allowance for impairment of donations receivable		-	(1,000,000)	-	(1,000,000)
Training expenditure		(90,237)	(86,641)	(90,237)	(86,641)
Repairs and maintenance expenditure		(64,858)	(75,536)	(64,858)	(75,536)
Professional fees		(53,989)	(67,550)	(53,989)	(67,550)
Travelling expenses		(48,368)	(49,698)	(48,368)	(49,698)
Computer related expenses		(108,804)	(60,807)	(108,804)	(60,807)
Seminar/conference expenses		(305,368)	(167,194)	(305,368)	(167,194)
Insurance expenses		(101,782)	(103,035)	(101,782)	(103,035)
Marketing and fund raising expenses		(210,051)	(233,079)	(210,051)	(233,079)
Cost of merchandise		(3,170)	(2,953)	(3,170)	(2,953)
Laboratory maintenance		(173,975)	(186,502)	(173,975)	(186,502)
Rental		(173,167)	(170,306)	(173,167)	(170,306)
Utilities		(125,509)	(122,424)	(125,509)	(122,424)
Purchased services		(206,026)	(226,445)	(206,026)	(226,445)
Dues and subscriptions		(16,036)	(17,141)	(16,036)	(17,141)
Other expenses		(515,027)	(327,984)	(515,027)	(327,984)
		<u>(8,902,455)</u>	<u>(8,414,200)</u>	<u>(8,902,455)</u>	<u>(8,414,200)</u>
Reversal of impairment of investment in joint venture		3,053	1,592	-	-
Share of losses in a joint venture		(3,053)	(1,592)	-	-
EXCESS OF EXPENDITURE OVER INCOME		<u>(980,533)</u>	<u>(1,211,230)</u>	<u>(980,533)</u>	<u>(1,211,230)</u>

CANCER RESEARCH MALAYSIA(Incorporated in Malaysia as a company
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AS AT 31 DECEMBER 2017

	<u>Note</u>	<u>Economic Entity</u>		<u>Foundation</u>	
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
		RM	RM	RM	RM
GENERAL FUNDS					
Balance at beginning of the financial year		15,468,635	16,679,865	15,468,635	16,679,865
Excess of expenditure over income		(980,533)	(1,211,230)	(980,533)	(1,211,230)
Balance at end of the financial year		<u>14,488,102</u>	<u>15,468,635</u>	<u>14,488,102</u>	<u>15,468,635</u>
Represented by:					
NON-CURRENT ASSETS					
Property, plant and equipment	7	3,824,120	3,985,323	3,824,120	3,985,323
Investment in joint venture	8	-	-	-	-
		<u>3,824,120</u>	<u>3,985,323</u>	<u>3,824,120</u>	<u>3,985,323</u>
CURRENT ASSETS					
Receivables	9	2,461,455	2,589,017	2,461,455	2,589,017
Cash and cash equivalents	10	10,402,313	10,655,194	10,402,313	10,655,194
		<u>12,863,768</u>	<u>13,244,211</u>	<u>12,863,768</u>	<u>13,244,211</u>
LESS: CURRENT LIABILITY					
Payables	11	1,554,353	782,266	1,554,353	782,266
Deferred income	12	333,200	333,200	333,200	333,200
		<u>1,887,553</u>	<u>1,115,466</u>	<u>1,887,553</u>	<u>1,115,466</u>
NET CURRENT ASSETS		<u>10,976,215</u>	<u>12,128,745</u>	<u>10,976,215</u>	<u>12,128,745</u>
NON-CURRENT LIABILITY					
Deferred income	12	312,233	645,433	312,233	645,433
NET ASSETS		<u>14,488,102</u>	<u>15,468,635</u>	<u>14,488,102</u>	<u>15,468,635</u>

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STATEMENTS OF CHANGES IN GENERAL FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	<u>Economic Entity</u>		<u>Foundation</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	RM	RM	RM	RM
As at 1 January	15,468,635	16,679,865	15,468,635	16,679,865
Excess of expenditure over income	(980,533)	(1,211,230)	(980,533)	(1,211,230)
As at 31 December	<u>14,488,102</u>	<u>15,468,635</u>	<u>14,488,102</u>	<u>15,468,635</u>

CANCER RESEARCH MALAYSIA(Incorporated in Malaysia as a company
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		Economic Entity		Foundation	
	Note	2017 RM	2016 RM	2017 RM	2016 RM
OPERATING ACTIVITIES					
Excess of expenditure over income		(980,533)	(1,211,230)	(980,533)	(1,211,230)
Adjustments for:					
Reversal of impairment of investment in joint venture		3,053	1,592	-	-
Share of losses in a joint venture		(3,053)	(1,592)	-	-
Property, plant and equipment					
- depreciation		1,095,785	1,027,812	1,095,785	1,027,812
- write-off		-	12,593	-	12,593
- loss on disposal		161,978	-	161,978	-
Write-off of other receivables		-	1,000,000	-	1,000,000
Deferred income		(333,200)	(333,200)	(333,200)	(333,200)
Interest income		(421,371)	(234,379)	(421,371)	(234,379)
		(477,341)	261,596	(477,341)	261,596
Changes in working capital:					
Receivables		127,562	2,271,922	127,562	2,271,922
Payables		772,087	270,553	772,087	270,553
Net cash flows generated from operating activities		422,308	2,804,071	422,308	2,804,071
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	7	(1,246,880)	(405,377)	(1,246,880)	(405,377)
Proceeds from disposal of property, plant and equipment		150,320	-	150,320	-
Interest income		421,371	234,379	421,371	234,379
Increase/(decrease) in bank deposits maturing more than three months		510,470	(8,500,000)	510,470	(8,500,000)
Net cash flows used in investing activities		(164,719)	(8,670,998)	(164,719)	(8,670,998)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		257,589	(5,866,927)	257,589	(5,866,927)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		1,655,194	7,522,121	1,655,194	7,522,121
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	10	1,912,783	1,655,194	1,912,783	1,655,194

CANCER RESEARCH MALAYSIA

(Incorporated in Malaysia as a company
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

1 GENERAL INFORMATION

The Foundation is a company incorporated and domiciled in Malaysia, limited by guarantee and does not have a share capital. The registered office of the Foundation is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan and the principal place of business of the Foundation is located at 2nd Floor, Outpatient Centre, Sime Darby Medical Centre Subang Jaya, 47500 Subang Jaya, Selangor Darul Ehsan.

The principal activity of the Foundation is to receive and administer funds for cancer research purposes. There have been no significant changes in the nature of this activity during the financial year.

The Foundation's joint venture is principally involved in rendering of services and products based in cell biology and cell culture technology. It remains dormant during the financial year.

The financial statements were authorised for issue by the Board of Trustees in accordance with a resolution dated

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A BASIS OF PREPARATION

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

The financial statements of the Economic Entity are the financial statements of the Foundation in which equity method of accounting has been applied to account for its investment in the joint venture.

The financial statements have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies.

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

The Trustees are of the view that there were no critical accounting estimates and assumptions which would have a material impact to the Economic Entity's and the Foundation's income and expenditure and financial position or accounting policies that require subjective judgement in the current financial year.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**A BASIS OF PREPARATION (CONTINUED)****(a) Standards, amendments to published standards and interpretations that are effective**

The Economic Entity and the Foundation have applied the following amendments for the first time for the financial year beginning on 1 January 2017:

- Amendments to MFRS 107 'Statement of Cash Flows – Disclosure Initiative'
- Amendments to MFRS 112 'Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses'

The adoption of these amendments did not have any impact on the current financial year or any prior financial year and is not likely to affect future financial years.

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Economic Entity and the Foundation but not yet effective

- MFRS 9 'Financial Instruments' (effective from 1 January 2018) will replace MFRS 139 'Financial Instruments: Recognition and Measurement'.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Economic Entity and the Foundation have started a preliminary assessment on the effects of the above standard and no significant impact is expected.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A BASIS OF PREPARATION (CONTINUED)

- (b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Economic Entity and the Foundation but not yet effective (continued)

- MFRS 15 'Revenue from contracts with customers' (effective from 1 January 2018) replaces MFRS 118 'Revenue' and MFRS 111 'Construction contracts' and related interpretations. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

A new five-step process is applied before revenue can be recognised:

- Identify contracts with customers;
- Identify the separate performance obligations;
- Determine the transaction price of the contract;
- Allocate the transaction price to each of the separate performance obligations; and
- Recognise the revenue as each performance obligation is satisfied.

Key provisions of the new standard are as follows:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- If the consideration varies (such as for incentives, rebates, performance fees, royalties, success of an outcome etc.), minimum amounts of revenue must be recognised if they are not at significant risk of reversal.
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licenses, warranties, non-refundable upfront fees, and consignment arrangements, to name a few.
- As with any new standard, there are also increased disclosures.

The Economic Entity and the Foundation have started a preliminary assessment on the effects of the above standard and the impact is still being assessed.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A BASIS OF PREPARATION (CONTINUED)

- (b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Economic Entity and the Foundation but not yet effective (continued)

- MFRS 16 'Leases' (effective from 1 January 2019) supersedes MFRS 117 'Leases' and the related interpretations.

Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principle in MFRS 116 'Property, Plant and Equipment' and the lease liability is accreted over time with interest expense recognised in profit or loss.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The Economic Entity and the Foundation are assessing the impact of the above standards.

B DONATIONS AND RESEARCH GRANTS

Donations and research grants are recognised as income when the Economic Entity's and the Foundation's right to receive payment is established.

C OTHER INCOME

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity, when it is determined that such income will accrue to the Economic Entity and the Foundation.

Income from advisory and consultancy service is recognised when the services are provided.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Cost includes expenditure that is directly attributable to the acquisition of the asset. 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 Economic Entity and the Foundation and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance expenses are recognised as expenses in the income and expenditure statements.

Property, plant and equipment are depreciated on a straight line basis to write-off the cost of the assets to their residual values over their estimated useful lives at the following annual depreciation rates, as summarised below:

Laboratory equipment	10.0%
Renovations	25.0%
Computers	33.3%
Office equipment	10.0%

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of the reporting period. The effects of any revision of the residual values and useful lives are included in the income and expenditure statements for the financial year in which the changes arise.

At the end of each reporting period, the Economic Entity and the Foundation assess whether there is any indication of impairment. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount (see accounting policy E on impairment of non-financial assets).

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing the net disposal proceeds with the carrying amounts and are included in the income and expenditure statements.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E IMPAIRMENT OF NON-FINANCIAL ASSETS

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 to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting date.

The impairment loss is charged to the income and expenditure statements and any subsequent increase in recoverable amount is recognised in the income and expenditure statements.

F GOVERNMENT GRANTS

Grants from the government are recognised at their fair values when there is a reasonable assurance that the grant will be received and the Economic Entity and the Foundation will comply with their attached conditions.

Government grants relating to costs are deferred and recognised in the income and expenditure statements over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of assets are included in non-current liabilities as deferred income and are credited to the income and expenditure statements on a straight line basis over the expected useful lives of the related assets.

G CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and bank balances and demand deposits with original maturity of three months or less, that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

H EMPLOYEE BENEFITS

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Economic Entity and the Foundation.

The Economic Entity's and the Foundation's contributions to the Employees' Provident Fund are charged to the income and expenditure statements in the period to which they relate. Once the contributions have been paid, the Economic Entity and the Foundation have no further payment obligations.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I FINANCIAL ASSETS

(a) Classification

The Economic Entity and the Foundation classify the financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Economic Entity's and the Foundation's loans and receivables comprise 'receivables' and 'cash and cash equivalents' in the statements of financial position (Note 9 and Note 10).

(b) Recognition and initial measurement

Loans and receivables are initially recognised at fair value plus transaction costs.

(c) Subsequent measurement – gains and losses

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the income and expenditure statements when the loans and receivables are derecognised or impaired and through the amortisation process.

(d) Subsequent measurement - Impairment of financial assets

Loans and receivables carried at amortised cost

The Economic Entity and the Foundation assess at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. Loans and receivables are impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I FINANCIAL ASSETS (CONTINUED)

(d) Subsequent measurement - Impairment of financial assets (continued)

Loans and receivables carried at amortised cost (continued)

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the income and expenditure statements. If 'loans and receivables' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Economic Entity and the Foundation may measure impairment on the basis of an instrument's fair value using an observable market price.

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

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

(e) Derecognition

Financial assets are derecognised when the rights to receive cash flows or have been transferred and the Economic Entity and the Foundation have transferred substantially all risks and rewards of ownership.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J FINANCIAL LIABILITIES

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments in another enterprise under conditions that are potentially unfavourable.

Financial liabilities are recognised in the statements of financial position when, and only when, the Economic Entity and the Foundation becomes a party to the contractual provisions of the financial instrument.

The Economic Entity and the Foundation classify the financial liabilities as other financial liabilities. The classification depends on the nature of the liabilities and the purpose for which the financial liabilities were incurred. Management determines the classification at initial recognition.

Other financial liabilities

Other financial liabilities comprise 'payables' (Note 11).

When other financial liabilities are recognised initially, they are measured at fair value plus directly attributable transaction costs.

Subsequent to the initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in the income and expenditure statements when the other financial liabilities are derecognised, and through the amortisation process.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

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

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****K OFFSETTING FINANCIAL INSTRUMENTS**

Financial assets and liabilities are offset and the net amount is presented in the statements 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.

L JOINT ARRANGEMENTS

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Foundation with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

The Foundation's interest in a joint venture is accounted for in the financial statements by the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Foundation's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Foundation's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Foundation's net investment in the joint ventures), the Foundation does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Foundation and its joint venture are eliminated to the extent of the Foundation's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint venture have been changed where necessary to ensure consistency with the policies adopted by the Foundation.

In the Foundation's separate financial statements, investment in joint venture is carried at cost less accumulated impairment losses. On disposal of investment in joint venture, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in income and expenditure statements.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Economic Entity and the Foundation do not recognise a contingent asset and liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Economic Entity and the Foundation or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Economic Entity and the Foundation. The Economic Entity and the Foundation do not recognise contingent assets but discloses its existence where inflows or economic benefits are probable, but not virtually certain.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Economic Entity and Foundation are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The following sections provide details regarding the Economic Entity's and Foundation's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The management does not consider there to be any significant concentration of credit risk.

The Economic Entity's and Foundation's cash and cash equivalents and short term deposits are placed with creditworthy financial institutions and the risks arising there from are minimised in view of the financial strength of these financial institutions.

Exposure to credit risk

At the reporting date, the Economic Entity's and Foundation's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

CANCER RESEARCH MALAYSIA

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Economic Entity and Foundation will encounter difficulty in meeting financial obligations due to shortage of funds. The Economic Entity's and Foundation's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Economic Entity and the Foundation adopt prudent liquidity risk management by maintaining sufficient cash resources and having available funding through donors. The Economic Entity's and the Foundation's operations are financed mainly through donations and research grants received.

The table below analyses the Economic Entity's and Foundation's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	<u>Economic Entity and Foundation</u>	
	<u>2017</u>	<u>2016</u>
	RM	RM
<u>Less than 1 year</u>		
Payables	1,554,353	782,266

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Economic Entity's and Foundation's financial instruments will fluctuate because of changes in market interest rates.

The Economic Entity and the Foundation are subject to interest rate risk as the deposit with the licensed bank is interest-bearing 0.5 % increase in the interest rate would result in an increase in the income and expenditure statements by RM51,098.

CANCER RESEARCH MALAYSIA

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

4 CAPITAL MANAGEMENT

The Economic Entity's and the Foundation's objectives when managing capital are to safeguard the Economic Entity's and the Foundation's ability to continue as a going concern in order to provide returns for stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Economic Entity and the Foundation regard the general fund as their capital.

5 STAFF COSTS

	<u>Economic Entity and Foundation</u>	
	<u>2017</u>	<u>2016</u>
	RM	RM
Salaries, wages and overtime	3,175,386	2,990,249
Defined contribution plan	476,032	380,192
Other employee benefits	129,798	21,894
	<u>3,781,216</u>	<u>3,392,335</u>

6 TAXATION

No provision has been made for taxation as the Foundation is a charitable institution which is exempted from tax by virtue of Section 127 (1) of the Income Tax Act, 1967 (Paragraph 13(1)(a) of Schedule 6).

CANCER RESEARCH MALAYSIA

(Incorporated in Malaysia as a company
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

7 PROPERTY, PLANT AND EQUIPMENT

Economic Entity and Foundation

	<u>Laboratory equipment</u> RM	<u>Renovations</u> RM	<u>Computers</u> RM	<u>Office equipment</u> RM	<u>Total</u> RM
<u>2017</u>					
<u>Cost</u>					
At 1 January 2017	10,081,916	992,446	707,443	164,875	11,946,681
Additions	1,135,875	14,752	83,127	13,126	1,246,880
Disposals	(609,670)	-	(6,159)	(5,833)	(621,662)
At 31 December 2017	<u>10,608,121</u>	<u>1,007,198</u>	<u>784,411</u>	<u>172,169</u>	<u>12,571,899</u>
<u>Accumulated depreciation</u>					
At 1 January 2017	6,563,508	833,242	480,315	84,293	7,961,358
Depreciation charge for the financial year	882,236	66,630	131,145	15,774	1,095,785
Disposals	(299,045)	-	(6,159)	(4,160)	(309,364)
At 31 December 2017	<u>7,146,699</u>	<u>899,872</u>	<u>605,301</u>	<u>95,907</u>	<u>8,747,779</u>
<u>Net book value</u>					
At 31 December 2017	<u>3,461,422</u>	<u>107,326</u>	<u>179,110</u>	<u>76,262</u>	<u>3,824,120</u>

CANCER RESEARCH MALAYSIA

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Economic Entity and Foundation

	<u>Laboratory equipment</u> RM	<u>Renovations</u> RM	<u>Computers</u> RM	<u>Office equipment</u> RM	<u>Total</u> RM
<u>2016</u>					
<u>Cost</u>					
At 1 January 2016	10,554,037	864,977	888,320	177,117	12,484,451
Additions	135,093	127,469	134,677	8,138	405,377
Write-off	(607,214)	-	(315,554)	(20,379)	(943,147)
At 31 December 2016	<u>10,081,916</u>	<u>992,446</u>	<u>707,443</u>	<u>164,875</u>	<u>11,946,681</u>
<u>Accumulated depreciation</u>					
At 1 January 2016	6,306,153	777,037	697,817	83,093	7,864,100
Depreciation charge for the financial year	858,172	56,205	98,052	15,383	1,027,812
Write-off	(600,817)	-	(315,554)	(14,183)	(930,554)
At 31 December 2016	<u>6,563,508</u>	<u>833,242</u>	<u>480,315</u>	<u>84,293</u>	<u>7,961,358</u>
<u>Net book value</u>					
At 31 December 2016	<u>3,518,408</u>	<u>159,204</u>	<u>227,128</u>	<u>80,583</u>	<u>3,985,323</u>

CANCER RESEARCH MALAYSIA

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

8 INVESTMENT IN JOINT VENTURE

	<u>Economic Entity</u>		<u>Foundation</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	RM	RM	RM	RM
Unquoted shares in Malaysia, at cost	99,960	99,960	99,960	99,960
Add: Share of post-acquisition results and reserve	(94,438)	(91,385)	-	-
	5,522	8,575	99,960	99,960
Less: Accumulated impairment loss	(5,522)	(8,575)	(99,960)	(99,960)
	-	-	-	-

The joint venture listed below has share capital consisting solely of ordinary shares, which is held directly by the Foundation.

<u>Name of company</u>	<u>Place of incorporation</u>	<u>Principal activities</u>	<u>Foundation's effective interest</u>	
			<u>2017</u>	<u>2016</u>
			%	%
AseaCyte Sdn. Bhd.*	Malaysia	Rendering of services and products based in cell biology and cell culture technology	49.00	49.00

* Audited by a firm other than member firm of PricewaterhouseCoopers International Limited.

AseaCyte Sdn. Bhd. grants the Foundation 5 year royalty-free license for access to its cell biology and cell culture technology from 12 February 2010 to 11 February 2015.

The joint venture is a private company and there is no quoted market price available for its shares. The joint venture company is no longer active during the financial year ended 31 December 2017.

There are no commitments or contingent liabilities relating to the Foundation's interest in the joint venture.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

8 INVESTMENT IN JOINT VENTURE (CONTINUED)

Set out below are the summarised financial information for AseaCyte Sdn. Bhd. which is accounted for using the equity method.

(a) Summarised statement of financial position

	Economic Entity	
	<u>2017</u>	<u>2016</u>
	RM	RM
NON-CURRENT ASSET	27	153
CURRENT ASSETS		
Cash and cash equivalents	3,748	19,089
Other current assets	15,890	15,290
	<u>19,638</u>	<u>34,379</u>
CURRENT LIABILITIES		
Other current liabilities	(8,396)	(17,031)
Net current assets	<u>11,242</u>	<u>17,348</u>
Net assets	<u><u>11,269</u></u>	<u><u>17,501</u></u>

(b) Summarised statement of comprehensive income

	Economic Entity	
	<u>2017</u>	<u>2016</u>
	RM	RM
Depreciation and amortisation	(126)	(126)
Other operating expenses	(6,106)	(3,122)
Loss before tax	<u>(6,232)</u>	<u>(3,248)</u>
Income tax expense	-	-
Loss after tax	<u><u>(6,232)</u></u>	<u><u>(3,248)</u></u>

CANCER RESEARCH MALAYSIA(Incorporated in Malaysia as a company
limited by guarantee and not having a share capital)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)****8 INVESTMENT IN JOINT VENTURE (CONTINUED)****(c) Reconciliation of summarised financial information**

The reconciliation between the summarised financial information and the carrying amount of the joint venture are as follows:

	<u>Economic Entity</u>	
	<u>2017</u>	<u>2016</u>
	RM	RM
Opening net assets	17,501	20,749
Loss for the financial year	(6,232)	(3,248)
Closing net assets	<u>11,269</u>	<u>17,501</u>
Share of net assets in joint venture	5,522	8,575
Accumulated impairment loss	(5,522)	(8,575)
Carrying amount of investment in joint venture	<u>-</u>	<u>-</u>

The Foundation has fully impaired the carrying value of the investment in the joint venture on the basis that the Foundation will be discontinuing with this joint venture arrangement and the recoverable amount is not expected to be significant.

9 RECEIVABLES

	<u>Economic Entity and Foundation</u>	
	<u>2017</u>	<u>2016</u>
	RM	RM
Donations receivable	2,338,792	3,289,196
Less: Impairment of donations receivables	(1,000,000)	(1,000,000)
	<u>1,338,792</u>	<u>2,289,196</u>
Deposits	40,410	40,410
Interest receivable	28,531	161,609
Prepayment	40,637	3,748
Other receivables	1,013,085	94,054
	<u>2,461,455</u>	<u>2,589,017</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

9 RECEIVABLES (CONTINUED)

As at 31 December 2017, the donations receivable balance can be analysed as follows:

	<u>Economic Entity and Foundation</u>	
	<u>2017</u>	<u>2016</u>
	RM	RM
Neither past due nor impaired	1,312,565	2,060,834
Past due but not impaired		
- 61- 90 days	-	191,008
- Over 180 days	26,227	37,354
	26,227	228,362
Impaired	1,000,000	1,000,000
	<u>2,338,792</u>	<u>3,289,196</u>

The donations receivable which were past due but not impaired relate to a number of independent donors for whom there is no recent history of default.

As at 31 December 2016, donation receivables of RM1,000,000 were impaired and provided for. This relates to the pledged donation from one of the core donors, which according to the Board of Trustees, may not be recoverable. Movement in allowance accounts:

	<u>Economic Entity and Foundation</u>	
	<u>2017</u>	<u>2016</u>
	RM	RM
At 1 January	1,000,000	1,000,000
Charge for the year	-	1,000,000
Write-off	-	(1,000,000)
	<u>1,000,000</u>	<u>1,000,000</u>

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Economic Entity and the Foundation do not hold any collateral as security.

CANCER RESEARCH MALAYSIA(Incorporated in Malaysia as a company
limited by guarantee and not having a share capital)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)****10 CASH AND CASH EQUIVALENTS**

	<u>Economic Entity and Foundation</u>	
	<u>2017</u>	<u>2016</u>
	RM	RM
Deposits with licensed bank	10,219,530	10,500,000
Bank balances	180,947	151,894
Cash on hand	1,836	3,300
	<hr/>	<hr/>
Cash and cash balances	<u>10,402,313</u>	<u>10,655,194</u>

The deposits with licensed bank carry interest rates ranging from 2.95% to 3.88% (2016: 2.75% to 3.60%) per annum as at the reporting date and have maturity periods ranging from one to six months (2016: one to six months).

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	<u>Economic Entity and Foundation</u>	
	<u>2017</u>	<u>2016</u>
	RM	RM
Short-term bank deposits with maturity of three months or less	1,730,000	1,500,000
Bank balances	180,947	151,894
Cash on hand	1,836	3,300
	<hr/>	<hr/>
Cash and cash equivalents	<u>1,912,783</u>	<u>1,655,194</u>

11 PAYABLES

	<u>Economic Entity and Foundation</u>	
	<u>2017</u>	<u>2016</u>
	RM	RM
Accruals	532,298	745,760
Other payables	992,580	14,432
GST output	29,475	22,074
	<hr/>	<hr/>
	<u>1,554,353</u>	<u>782,266</u>

CANCER RESEARCH MALAYSIA

(Incorporated in Malaysia as a company
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

12 DEFERRED INCOME

The Economic Entity and the Foundation obtained a government grant of RM3,500,000 in the financial year ended 31 December 2008 and were required to utilise the funds for certain projects and activities, including the acquisition of certain assets, as approved and prescribed under the terms of the grant. Government grant relating to the purchase of assets is credited to the income and expenditure statement on a straight line basis over the expected useful lives of the related assets. Government grant relating to costs is recognised in the income and expenditure statement over the periods to match the related costs for which the grants are intended to compensate.

	<u>Economic Entity and Foundation</u>	
	<u>2017</u>	<u>2016</u>
	RM	RM
Current	333,200	333,200
Non-current	312,233	645,433
	<hr/>	<hr/>
At 31 December	<u>645,433</u>	<u>978,633</u>

13 AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by Trustees on 27 June 2018.

Company No.

510087

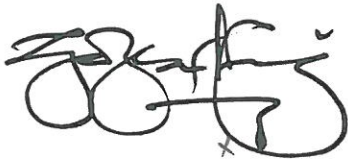
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CANCER RESEARCH MALAYSIA
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**STATEMENT BY TRUSTEES PURSUANT TO
SECTION 251(2) OF THE COMPANIES ACT 2016**

We Tan Sri Dato' Dr Ir Gan Thian Leong and Encik Abdul Hamid Ibrahim, being two of the Trustees of Cancer Research Malaysia, do hereby state that, in the opinion of the Trustees, the financial statements set out on pages 4 to 28 are drawn up so as to give a true and fair view of the financial position of the Economic Entity and of the Foundation as at 31 December 2017 and financial performance of the Economic Entity and the Foundation for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Trustees in accordance with the resolution of the Board of Trustees dated 27 June 2018.



TAN SRI DATO' DR IR
GAN THIAN LEONG
TRUSTEE



ABD. HAMID BIN IBRAHIM
TRUSTEE

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

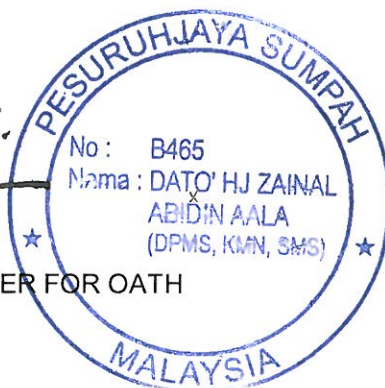
I, Tan Sri Dato' Dr Ir Gan Thian Leong, the Trustee primarily responsible for the financial management of Cancer Research Malaysia, do solemnly and sincerely declare that the financial statements set out on pages 4 to 28 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.



TAN SRI DATO' DR IR
GAN THIAN LEONG

Subscribed and solemnly declared by the above named Tan Sri Dato' Dr Ir Gan Thian Leong at Selangor Darul Ehsan on 27 June 2018.

Before me,



NO 36, JLN NELAYAN B19/B
SEKSYEN 19
40300 SHAH ALAM
SELANGOR DARUL EHSAN.
TEL : 019-2565861

COMMISSIONER FOR OATH



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANCER RESEARCH MALAYSIA

(Incorporated in Malaysia as a company
Limited by guarantee and not having a share capital)
(Company No. 510087-M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Cancer Research Malaysia ("the Economic Entity and the Foundation") give a true and fair view of the financial position of the Economic Entity and the Foundation as at 31 December 2017, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Economic Entity and the Foundation, which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 4 to 28.

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 Economic Entity and the Foundation in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) was registered on 02.01.2018 and with effect from that date, PricewaterhouseCoopers (AF 1146), a conventional partnership was converted to a limited liability partnership.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CANCER RESEARCH MALAYSIA (CONTINUED)
(Incorporated in Malaysia as a company
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

In connection with our audit of the financial statements of the Economic Entity and the Foundation, our responsibility is to read the Trustees' Report and, in doing so, consider whether the Trustees' Report is materially inconsistent with the financial statements of the Economic Entity and the Foundation or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Trustees for the financial statements

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

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



INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
CANCER RESEARCH MALAYSIA (CONTINUED)

(Incorporated in Malaysia as a company
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Economic Entity and the Foundation, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (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 Economic Entity's and the Foundation's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting and related disclosures made by the Trustees.
- (d) Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Economic Entity's and the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Economic Entity and the Foundation 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 Economic Entity and the Foundation to cease to continue as a going concern.



INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
CANCER RESEARCH MALAYSIA (CONTINUED)

(Incorporated in Malaysia as a company
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

- (e) Evaluate the overall presentation, structure and content of the financial statements of the Economic Entity and the Foundation, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Economic Entity to express an opinion on the financial statements of the Economic Entity. We are responsible for the direction, supervision and performance of the Economic Entity audit. We remain solely responsible for our audit opinion.

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
27 June 2018

HEW CHOOI YOKÉ
03203/07/2019 J
Chartered Accountant