

Company No.

524989

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**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
(Incorporated in Malaysia as a company limited by guarantee)

**STATUTORY FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

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**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
(Incorporated in Malaysia as a company limited by guarantee)

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**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
(Incorporated in Malaysia as a company limited by guarantee)

**DIRECTORS' REPORT**

The Directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31 December 2009.

**PRINCIPAL ACTIVITIES**

The principal activities are to promote corporate governance in companies through shareholder activism acting in the interest of the minority shareholders as an integral part to the development of the capital market.

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

**FINANCIAL RESULTS**

	RM
Surplus for the financial year	<u>147,370</u>

**DIVIDENDS**

In accordance with the Company's Memorandum of Association, no dividends are payable to the members of the Company.

**MOVEMENTS ON RESERVES AND PROVISIONS**

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

**DIRECTORS**

The Directors who have held office during the period since the date of the last report are as follows:

Tan Sri Abdul Halim bin Ali  
Tan Sri Dato' Lodin bin Wok Kamaruddin  
Datuk Haji Abdul Aziz bin Ismail  
(Alternate Director to Tan Sri Dato' Lodin bin Wok Kamaruddin)  
Tan Sri Dr Sulaiman bin Mahbob (resigned on 8 May 2009)  
Dato' Larry Gan  
Phillip Koh Tong Ngee  
Abdul Wahab bin Jaafar Sidek (resigned on 8 May 2009)  
Rita A/P Benoy Bushon (appointed on 18 May 2009)  
Nor Hizam bin Hashim (appointed on 2 December 2009)

In accordance with Article 61 of the Company's Article of Association, Tan Sri Abdul Halim bin Ali retires at the forthcoming Annual General Meeting and being eligible, offer himself for re-election.

In accordance with Article 67 of the Company's Article of Association, Rita A/P Benoy Bushon and Nor Hizam bin Hashim retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

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**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
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**DIRECTORS' REPORT (CONTINUED)**

**DIRECTORS' INTERESTS**

The Company is a company limited by guarantee and thus no shares in which the Directors could have an interest. The Company has not issued any debentures.

**DIRECTORS' BENEFITS**

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

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration disclosed in Note 4 and Note 5) by reason of a contract made by the Company 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.

**STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS**

Before the income statement and balance sheet were made out, the Directors 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, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Company 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 amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

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**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
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**DIRECTORS' REPORT (CONTINUED)**

**STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)**

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 Directors, will or may substantially affect the ability of the Company to meet its obligations when they fall due.

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

- (a) any charge on the assets of the Company 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 Company which has arisen since the end of the financial year.

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

In the opinion of the Directors,

- (a) the results of the Company'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 likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

**AUDITORS**

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution.



TAN SRI ABDUL HALIM BIN ALI  
DIRECTOR



TAN SRI DATO' LODIN BIN WOK KAMARUDDIN  
DIRECTOR

Kuala Lumpur  
11 February 2010

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**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
(Incorporated in Malaysia as a company limited by guarantee)

**INCOME STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

	<u>Note</u>	<u>2009</u> RM	<u>2008</u> RM
Revenue	2	590,075	1,174,056
Grant	3	2,295,913	1,517,967
Other operating income		24,801	32,318
Staff costs	4	(1,679,711)	(1,580,928)
Depreciation of property and equipment		(28,938)	(23,880)
Other operating expenses	5	(1,174,462)	(1,084,014)
Total expenditure		<u>(2,883,111)</u>	<u>(2,688,822)</u>
Surplus from operations	6	27,678	35,519
Finance cost	7	(2,877)	(3,201)
Surplus before taxation		24,801	32,318
Taxation	8	122,569	74,270
Surplus for the financial year		<u>147,370</u>	<u>106,588</u>

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**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
(Incorporated in Malaysia as a company limited by guarantee)

**BALANCE SHEET AS AT 31 DECEMBER 2009**

	<u>Note</u>	<u>2009</u> RM	<u>2008</u> RM
<b>NON-CURRENT ASSETS</b>			
Property and equipment	9	71,608	61,680
Investments in quoted shares	10	63,116	43,758
Deferred tax asset	11	197,369	74,000
		<u>332,093</u>	<u>179,438</u>
<b>CURRENT ASSETS</b>			
Grant receivable		750,000	750,000
Other receivables, deposits and prepayments	12	217,016	68,700
Cash and cash equivalents	13	1,502,927	879,711
Tax recoverable		170	-
		<u>2,470,113</u>	<u>1,698,411</u>
<b>LESS: CURRENT LIABILITIES</b>			
Deferred grant		1,814,566	1,110,479
Other payables and accruals		278,278	205,378
		<u>2,092,844</u>	<u>1,315,857</u>
<b>NET CURRENT ASSETS</b>		<u>377,269</u>	<u>382,554</u>
		<u>709,362</u>	<u>561,992</u>
<b>REPRESENTED BY:</b>			
General fund		5,801,000	5,801,000
Accumulated losses		(5,091,638)	(5,239,008)
		<u>709,362</u>	<u>561,992</u>

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**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
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**STATEMENT OF CHANGES IN GENERAL FUND AND RESERVE  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

	<u>General fund</u> RM	<u>Accumulated losses</u> RM	<u>Total</u> RM
At 1 January 2009	5,801,000	(5,239,008)	561,992
Surplus for the financial year	-	147,370	147,370
At 31 December 2009	<u>5,801,000</u>	<u>(5,091,638)</u>	<u>709,362</u>
At 1 January 2008	5,801,000	(5,345,596)	455,404
Surplus for the financial year	-	106,588	106,588
At 31 December 2008	<u>5,801,000</u>	<u>(5,239,008)</u>	<u>561,992</u>



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**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
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**CASH FLOW STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

	<u>Note</u>	<u>2009</u> RM	<u>2008</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus before taxation		24,801	32,318
Adjustments for:			
Grant		(2,295,913)	(1,517,967)
Subscriber services fee		80,758	(5,862)
Gain on redemption of quoted shares		(163)	(568)
Allowance for diminution in value of quoted shares		11,249	-
Depreciation of property and equipment		28,938	23,880
Property and equipment written-off		1,796	-
Dividend income		(1,917)	(2,195)
Interest income		(22,721)	(29,555)
Interest expense		-	1,087
		<u>(2,173,172)</u>	<u>(1,498,862)</u>
Changes in working capital:			
Receivables		(154,183)	(19,540)
Payables		(137,008)	139,130
Cash used in operating activities		<u>(2,464,363)</u>	<u>(1,379,272)</u>
Subscriber services fee received		129,150	28,800
Dividend income received		1,917	2,195
Interest income received		28,588	29,555
Tax paid		(970)	(970)
Interest paid		-	(1,087)
Net cash used in operating activities		<u>(2,305,678)</u>	<u>(1,320,779)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(40,662)	(22,507)
Purchase of quoted shares		(30,786)	(404)
Proceeds from redemption of quoted shares		342	1,676
Net cash (used in)/generated from investing activities		<u>(71,106)</u>	<u>(21,235)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Grant received		3,000,000	750,000
Repayment of hire-purchase		-	(4,155)
Net cash generated from financing activities		<u>3,000,000</u>	<u>745,845</u>
(Decrease)/increase in cash and cash equivalents during the financial year		623,216	(596,169)
Cash and cash equivalents at beginning of the financial year		<u>879,711</u>	<u>1,475,880</u>
Cash and cash equivalents at end of the financial year	13	<u><u>1,502,927</u></u>	<u><u>879,711</u></u>

**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

**A BASIS OF PREPARATION**

The financial statements have been prepared in accordance with the Financial Reporting Standards ("FRS"), the MASB Approved Accounting Standards for Entities Other than Private Entities and the provisions of the Companies Act, 1965. The financial statements have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies.

The preparation of financial statements in conformity with the MASB Approved Accounting Standards for Entities Other than Private Entities 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 financial year. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

- (a) Standards, amendments to published standards and interpretations that are applicable to the Company and are effective

There is no new accounting standards, amendments to published standards and interpretations to existing standards effective for the Company's financial year ended 31 December 2009 and applicable to the Company.

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

The Company will apply the following new standards, amendments to standards and interpretations from annual period beginning on 1 January 2010:

- The revised FRS 101 "Presentation of financial statements" (effective from 1 January 2010) prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. 'Non-owner changes in equity' are to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period.

**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

**A BASIS OF PREPARATION (CONTINUED)**

- FRS 139 "Financial Instruments: Recognition and Measurement" (effective from 1 January 2010) establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted under strict circumstances. The amendments to FRS 139 provide further guidance on eligible hedged items. The amendment provides guidance for two situations. On the designation of a one-sided risk in a hedged item, the amendment concludes that a purchased option designated in its entirety as the hedging instrument of a one-sided risk will not be perfectly effective. The designation of inflation as a hedged risk or portion is not permitted unless in particular situations. The improvement to FRS 139 clarifies that the scope exemption in FRS 139 only applies to forward contracts but not options for business combinations that are firmly committed to being completed within a reasonable timeframe.
- FRS 7 "Financial instruments: Disclosures" (effective from 1 January 2010) provides information to users of financial statements about an entity's exposure to risks and how the entity manages those risks. The improvement FRS 7 clarifies that entities must not present total interest income and expense as a net amount within finance costs on the face of the income statement.

The Company has applied the transitional provision in the respective standards which exempts entities from disclosing the possible impact arising from the initial application of the following standards and interpretations on the financial statements of the Company.

- FRS 139, Amendments to FRS 139 on eligible hedged items, Improvement to FRS 139 and IC Interpretation 9
- FRS 7 and Improvement to FRS 7

The following amendments are part of the Malaysian Accounting Standards Board's ("MASB") improvements project issued in September 2009. They are effective for annual period beginning on or after 1 January 2010:

- FRS 107 "Statement of cash flows" clarifies that only expenditure resulting in a recognised asset can be categorised as a cash flow from investing activities.
- FRS 110 "Events after the balance sheet date" reinforces existing guidance that a dividend declared after the reporting date is not a liability of an entity at that date given that there is no obligation at that time.
- FRS 116 "Property, plant and equipments" (consequential amendment to FRS 107 "Statement of cash flows") requires entities whose ordinary activities comprise of renting and subsequently selling assets to present proceeds from the sale of those assets as revenue and should transfer the carrying amount of the asset to inventories when the asset becomes held for sale. A consequential amendment to FRS 107 states that cash flows arising from purchase, rental and sale of those assets are classified as cash flows from operating activities.
- FRS 118 "Revenue" provides more guidance when determining whether an entity is acting as a 'principal' or as an 'agent'.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

**A BASIS OF PREPARATION (CONTINUED)**

- FRS 120 "Accounting for government grants" clarifies that the benefit of a below market rate government loan is accounted for in accordance with FRS 120.
- FRS 136 "Impairment of assets" clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment before the aggregation of segments with similar economic characteristics. The improvement also clarifies that where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value in use should be made.

The Company will apply these standards from financial periods beginning when effective. The adoption of these standards and amendments will not have significant impact on the results of the Company.

**B PROPERTY AND EQUIPMENT**

Property and equipment are stated at cost less accumulated depreciation and impairment losses.

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

Computer and electronic equipment	20%
Furniture and fittings	20%
Office equipment	20%
Motor vehicles	20%

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

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

**C INCOME TAXES**

Current tax expense is determined according to the tax laws of local jurisdiction in which the Company operates and includes all taxes upon the taxable profits.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transactions affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009 (CONTINUED)**

**D CASH AND CASH EQUIVALENTS**

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

**E REVENUE RECOGNITION**

Revenue is recognised on the following basis:

- (i) Income from proxy services are recognised upon performance of services.
- (ii) Contribution for publications and reports are recognised upon delivery of publications and reports.
- (iii) Income from domestic seminars is recognised on an accrual basis.
- (iv) Income from subscriber services is recognised on an accrual basis.
- (v) Interest income is recognised on an accrual basis.
- (vi) Dividend income from investments in quoted shares is recognised on the ex-dividend date.

**F GRANT**

Grant relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs they are intended to compensate.

**G EMPLOYEE BENEFITS**

Short term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the financial year in which the associated services are rendered by employees of the Company.

Post employment benefit

The Company contributes to the national defined contribution plan for the employees of the Company. Contribution to this plan is charged to the income statement in the financial year to which they relate. Once the contribution has been paid, the Company has no further payment obligations.

**H INVESTMENTS IN QUOTED SHARES**

Investments in quoted shares are stated at cost and an allowance for diminution is made in the event of any permanent diminution in value, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

On disposal or redemption of an investment, the difference between net disposal or redemption proceeds and its carrying amount is charged/credited to the income statement.



**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009 (CONTINUED)**

**I OPERATING LEASES**

Leases of assets where a significant portion of the risks and benefits of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease.

**J PROVISIONS**

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

**K CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Company does not recognise a contingent 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 Company 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.

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 Company. The Company does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

**L IMPAIRMENT OF ASSETS**

Property and equipment and other non-current assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. The impairment loss is charged to the income statement.

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**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

1 GENERAL INFORMATION

The principal activities are to promote corporate governance in companies through shareholder activism acting in the interest of the minority shareholders as an integral part to the development of the capital market.

The Company is limited by guarantee, incorporated and domiciled in Malaysia.

The number of employees as at the end of the financial year is 17 (2008: 11).

The address of the registered office and principal place of business of the Company is:

11<sup>th</sup> Floor, Bangunan KWSP,  
No. 3, Changkat Raja Chulan  
Off Jalan Raja Chulan  
50200 Kuala Lumpur

2 REVENUE

	<u>2009</u> RM	<u>2008</u> RM
Contribution received from publications/reports published	222,162	1,143,425
Proxy services fee	19,000	11,000
Forum and events	268,155	13,769
Subscriber services fee	80,758	5,862
	<u>590,075</u>	<u>1,174,056</u>

3 GRANT

Grant received is recognised as a reimbursement from the Capital Market Development Fund ('CMDF') to finance the Company's operational and capital expenditure.

4 STAFF COSTS

	<u>2009</u> RM	<u>2008</u> RM
Salaries and bonus	1,400,691	1,241,010
Defined contribution plan ('EPF')	154,939	136,957
Staff gratuity	37,100	93,700
Other employee benefits	86,981	109,261
	<u>1,679,711</u>	<u>1,580,928</u>

**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
(Incorporated in Malaysia as a company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009 (CONTINUED)**

4 STAFF COSTS (CONTINUED)

The amount of salaries and bonus, contribution to EPF and gratuity received by the CEO/Director of the Company during the financial year were RM378,000 (2008: RM450,000), RM45,360 (2008: RM54,000) and RM Nil (2008: RM56,000) respectively.

5 OTHER OPERATING EXPENSES

	<u>2009</u> RM	<u>2008</u> RM
Printing expenses	63,400	253,884
Outsourcing expenses	433,232	236,120
Rental expenses	129,984	137,101
Travelling, accommodation and entertainment expense	114,413	117,832
Forum and event expenses	113,575	89,722
Telecommunication expenses	92,214	75,044
Repair and maintenance expenses	65,522	73,041
Insurance	38,528	36,447
Office supplies	43,735	34,703
Professional fees	49,131	28,388
Taxes and licenses fees	10,275	332
Allowance for diminution in value of quoted shares	11,249	-
Property and equipment written-off	1,796	-
Others	7,408	1,400
	<u>1,174,462</u>	<u>1,084,014</u>

6 SURPLUS FROM OPERATIONS

Surplus from operations is arrived at after charging:

Auditors' remuneration	10,000	8,000
Director's meeting allowance	25,500	22,500
Interest income	22,721	29,555
Dividend income	1,917	2,195
	<u>60,138</u>	<u>62,250</u>

7 FINANCE COST

Interest expense	-	1,087
Other finance charges	2,877	2,114
	<u>2,877</u>	<u>3,201</u>



**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009 (CONTINUED)**

## 8 TAXATION

	<u>2009</u> RM	<u>2008</u> RM
Current year tax	800	-
Over-provision of prior years' tax	-	(270)
Deferred tax (Note 11)	(123,369)	(74,000)
	<u>(122,569)</u>	<u>(74,270)</u>

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

	<u>2009</u> RM	<u>2008</u> RM
Surplus before taxation	<u>24,801</u>	<u>32,318</u>
Tax calculated at the Malaysian tax rate of 25% (2008: 26%)	6,200	8,403
Tax effects of:		
- expenses not deductible for tax purposes	210,235	9,268
- income not taxable	(40)	-
- previously unrecognised tax losses and capital allowance	(333,604)	(94,645)
- effect of change in tax rate	-	2,974
- over provision of prior years' tax	-	(270)
- effect of lower tax rate	(5,360)	-
Taxation	<u>(122,569)</u>	<u>(74,270)</u>
Tax savings during the financial year arising from:		
- utilisation of current year tax losses	-	8,255
- utilisation of previously unrecognised tax losses	208,345	79,362
- utilisation of previously unrecognised capital allowance	-	15,283

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009 (CONTINUED)**

9 **PROPERTY AND EQUIPMENT**

	Computer and electronic equipment RM	Furniture and fittings RM	Office equipment RM	Motor vehicle RM	Total RM
<u>2009</u>					
<u>Cost</u>					
At 1 January 2009	175,857	173,455	42,739	172,261	564,312
Additions	21,204	10,740	8,718	-	40,662
Written-off	(2,199)	-	-	-	(2,199)
At 31 December 2009	<u>194,862</u>	<u>184,195</u>	<u>51,457</u>	<u>172,261</u>	<u>602,775</u>
<u>Accumulated depreciation</u>					
At 1 January 2009	141,580	151,852	36,939	172,261	502,632
Charge of the year	13,357	12,103	3,478	-	28,938
Written-off	(403)	-	-	-	(403)
At 31 December 2009	<u>154,534</u>	<u>163,955</u>	<u>40,417</u>	<u>172,261</u>	<u>531,167</u>
<u>Net book value</u>					
At 31 December 2009	<u>40,328</u>	<u>20,240</u>	<u>11,040</u>	<u>-</u>	<u>71,608</u>
<u>2008</u>					
Cost	175,857	173,455	42,739	172,261	564,312
Accumulated depreciation	(141,580)	(151,852)	(36,939)	(172,261)	(502,632)
Net book value	<u>34,277</u>	<u>21,603</u>	<u>5,800</u>	<u>-</u>	<u>61,680</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009 (CONTINUED)**

10 INVESTMENTS IN QUOTED SHARES

	<u>2009</u> RM	<u>2008</u> RM
<u>Shares in corporations</u>		
At cost:		
- quoted in Malaysia	74,365	44,500
- provision for diminution in value	(11,249)	(742)
	<u>63,116</u>	<u>43,758</u>
At market value:		
- quoted in Malaysia	<u>88,296</u>	<u>38,456</u>

These shares are held for long-term with the purpose of giving locus standi to participate in the affairs in the investee corporations.

11 DEFERRED TAX ASSET

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 tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	<u>2009</u> RM	<u>2008</u> RM
Subject to income tax:		
Deferred tax asset (after offsetting)	<u>197,369</u>	<u>74,000</u>

The movement in net deferred tax asset during the financial year are as follows:

	<u>2009</u> RM	<u>2008</u> RM
At 1 January	74,000	-
(Charged)/credited to income statement (Note 8)		
- Property and equipment	(8,976)	(2,000)
- Unutilised tax losses	132,345	76,000
	<u>123,369</u>	<u>74,000</u>
At 31 December	<u>197,369</u>	<u>74,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009 (CONTINUED)**

11 DEFERRED TAX ASSET (CONTINUED)

The components of deferred tax asset/(liability) before/after appropriate offsetting are as follows:

	<u>2009</u> RM	<u>2008</u> RM
Deferred tax asset (before offsetting)		
- Unutilised tax losses	208,345	76,000
Offsetting	<u>(10,976)</u>	<u>(2,000)</u>
Deferred tax asset (after offsetting)	<u>197,369</u>	<u>74,000</u>
Deferred tax liability (before offsetting)		
- Property and equipment	(10,976)	(2,000)
Offsetting	<u>(10,976)</u>	<u>(2,000)</u>
Deferred tax liability (after offsetting)	<u>-</u>	<u>-</u>

The approximate amount of unutilised capital allowance and unutilised tax losses for which no deferred tax is recognised in the balance sheet are as follows:

	<u>2009</u> RM	<u>2008</u> RM
- Unutilised capital allowance	-	45,265
- Unutilised tax losses	<u>2,907,919</u>	<u>4,556,519</u>

The unutilised capital allowance and unutilised tax losses do not expire under current tax legislation.

12 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<u>2009</u> RM	<u>2008</u> RM
Other receivables	152,204	9,220
Deposits and prepayments	<u>64,812</u>	<u>59,480</u>
	<u>217,016</u>	<u>68,700</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009 (CONTINUED)**

13 CASH AND CASH EQUIVALENTS

	<u>2009</u> RM	<u>2008</u> RM
Cash and bank balances	94,290	60,075
Deposits with a financial institution	1,408,637	819,636
	<u>1,502,927</u>	<u>879,711</u>

The weighted average interest rates of that were effective as at financial year end were as follows:

	<u>2009</u> %	<u>2008</u> %
Deposits with a financial institution	<u>2.0</u>	<u>3.0</u>

Deposits with a financial institution have an average maturity of 30 days (2008: 30 days).

14 OPERATING LEASE COMMITMENT

At the balance sheet date, the commitment in respect of an operating lease pertaining to rental payable for office occupied by the Company under a lease agreement expiring in 31 May 2012, are payable as follows:

	<u>2009</u> RM	<u>2008</u> RM
Within 1 year	110,135	97,830
Within 2 to 5 years	162,278	45,300
	<u>272,413</u>	<u>143,130</u>

15 FINANCIAL RISK MANAGEMENT

(a) Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company's interest rate risk exposure is limited to the impact of rate changes on its interest bearing assets such as deposits with a financial institution.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009 (CONTINUED)**

16 **FINANCIAL RISK MANAGEMENT (CONTINUED)**

(b) Credit risk

The credit risk concentrations of the Company by industry as at the balance sheet date are set out in the following tables:

	<u>CMDF</u> RM	<u>Financial institutions</u> RM	<u>Others</u> RM
<u>As at 31 December 2009</u>			
Grant receivable	750,000	-	-
Other receivables, deposits and prepayments	-	-	217,016
Cash and cash equivalents	-	1,502,927	-
<u>As at 31 December 2008</u>			
Grant receivable	750,000	-	-
Other receivables, deposits and prepayments	-	-	68,700
Cash and cash equivalents	-	879,711	-

(c) Fair value of financial instruments

Financial instruments comprise financial assets, financial liabilities and off-balance sheet financial instruments. Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm's length transaction.

Fair value information is not provided for non-financial instruments and financial instruments that are excluded from the scope of FRS 132, Financial Instruments: Disclosure and Presentation. This includes property and equipment, tax recoverable and deferred taxation.

The carrying amounts of the Company's financial assets and financial liabilities as at 31 December 2009 and 31 December 2008 approximates its fair value due to the limited term to maturity of these instruments or limited sensitivity to interest rates.

17 **APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors.

Company No.

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**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
(Incorporated in Malaysia as a company limited by guarantee)

**STATEMENT BY DIRECTORS**  
**PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965**

We, Tan Sri Abdul Halim bin Ali and Tan Sri Dato' Lodin bin Wok Kamaruddin, two of the Directors of Badan Pengawas Pemegang Saham Minoriti Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 4 to 20 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2009 and of its financial performance and cash flows for the financial year then ended in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with their resolution.

TAN SRI ABDUL HALIM BIN ALI  
DIRECTOR

TAN SRI DATO' LODIN BIN WOK KAMARUDDIN  
DIRECTOR

Kuala Lumpur  
11 February 2010

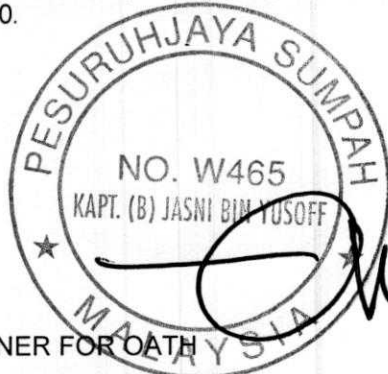
**STATUTORY DECLARATION**  
**PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965**

I, Rita Benoy Bushon, the Officer primarily responsible for the financial management of Badan Pengawas Pemegang Saham Minoriti Berhad, do solemnly and sincerely declare that the financial statements set out on pages 4 to 20 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.

RITA BENOY BUSHON

Subscribed and solemnly declared by the above named Rita Benoy Bushon at Kuala Lumpur on 11 February 2010.

Before me:



COMMISSIONER FOR OATH

Lot 1.08, Tingkat 1,  
Bangunan KWSP, Jln Raja Laut,  
50350 Kuala Lumpur.  
Tel: 019-6630745



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF BADAN PENGAWAS PEMEGANG  
SAHAM MINORITI BERHAD**  
(Incorporated in Malaysia as a company limited by guarantee)  
(Company No. 524989 M)

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of Badan Pengawas Pemegang Saham Minoriti Berhad, which comprise the balance sheet as at 31 December 2009, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 20.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Company as of 31 December 2009 and of its financial performance and cash flows for the financial year then ended.



INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF BADAN PENGAWAS PEMEGANG SAHAM MINORITI  
BERHAD

(Incorporated in Malaysia as a company limited by guarantee)  
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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that, in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



PRICEWATERHOUSECOOPERS  
(No. AF: 1146)  
Chartered Accountants



SOO HOO KHOON YEAP  
(No. 2682/10/11 (J))  
Chartered Accountant

Kuala Lumpur  
11 February 2010