

Company No.

524989	M
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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 2010

Company No.

524989

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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 2010.

PRINCIPAL ACTIVITIES

The principal activity is 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>508,946</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)
Dato' Larry Gan
Phillip Koh Tong Ngee
Rita A/P Benoy Bushon
Nor Hizam bin Hashim

In accordance with Article 61 of the Company's Article of Association, Tan Sri Dato' Lodin Wok Kamaruddin retires at the forthcoming Annual General Meeting and being eligible, offer himself for re-election.

In accordance with Article 61 of the Company's Article of Association, Mr Philip Koh Tong Ngee retires at the forthcoming Annual General Meeting and being eligible, offer himself for re-election.

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

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.

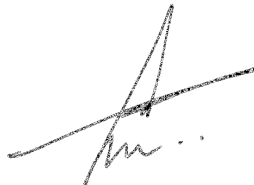
AUDITORS

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



RITA BENOY BUSHON
DIRECTOR

Kuala Lumpur
14 February 2011

Company No.

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	<u>Note</u>	<u>2010</u> RM	<u>2009</u> RM
Revenue	2	859,858	590,075
Grant	3	2,728,736	2,295,913
Other operating income		45,353	24,801
Staff costs	4	(2,239,740)	(1,679,711)
Depreciation of property and equipment		(29,612)	(28,938)
Other operating expenses	5	(1,316,440)	(1,174,462)
Total expenditure		<u>(3,585,792)</u>	<u>(2,883,111)</u>
Surplus from operations	6	48,155	27,678
Finance cost	7	(2,802)	(2,877)
Surplus before taxation		45,353	24,801
Taxation	8	463,593	122,569
Surplus for the financial year		<u>508,946</u>	<u>147,370</u>
Other comprehensive income:			
Financial assets available-for-sale		10,936	-
Income tax relating to component of other			
Comprehensive income		(2,734)	-
Total comprehensive income for the financial year		<u>517,148</u>	<u>147,370</u>

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

STATEMENT OF FINANCIAL STATEMENT AS AT 31 DECEMBER 2010

	<u>Note</u>	<u>2010</u> RM	<u>2009</u> RM
NON-CURRENT ASSETS			
Property and equipment	9	134,274	71,608
Financial assets available-for-sale	10	108,028	63,116
Deferred tax asset		652,773	197,369
		<u>895,075</u>	<u>332,093</u>
CURRENT ASSETS			
Grant receivable		-	750,000
Other receivables, deposits and prepayments	12	298,036	217,016
Cash and cash equivalents	13	2,527,528	1,502,927
Tax recoverable		-	170
		<u>2,825,564</u>	<u>2,470,113</u>
LESS: CURRENT LIABILITIES			
Deferred grant		2,085,829	1,814,566
Other payables and accruals		388,643	278,278
Provision for taxation		696	-
		<u>2,475,168</u>	<u>2,092,844</u>
NET CURRENT ASSETS		<u>350,396</u>	<u>377,269</u>
		<u>1,245,471</u>	<u>709,362</u>
REPRESENTED BY:			
General fund		5,801,000	5,801,000
Accumulated losses		(4,582,692)	(5,091,638)
Available-for-sale reserve		27,163	-
		<u>1,251,471</u>	<u>709,362</u>

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

**STATEMENT OF CHANGES IN GENERAL FUND AND RESERVE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

	<u>General fund</u> RM	<u>Accumulated losses</u> RM	<u>Available- for-sale reserve</u> RM	<u>Total equity</u> RM
At 1 January 2010				
- As previously reported	5,801,000	(5,091,638)	-	709,362
- Effect of adoption of FRS 139	-	-	18,961	18,961
At 1 January 2010, as restated	<u>5,801,000</u>	<u>(5,091,638)</u>	<u>18,961</u>	<u>728,323</u>
Comprehensive income:				
- Net profit for the financial year	-	508,946	-	508,946
Other comprehensive income:				
- Financial assets available-for-sale, net of tax	-	-	8,202	8,202
At 31 December 2010	<u><u>5,801,000</u></u>	<u><u>(4,582,692)</u></u>	<u><u>27,163</u></u>	<u><u>1,245,471</u></u>
At 1 January 2009	5,801,000	(5,239,008)	-	561,992
Comprehensive income:				
- Net profit for the financial year	-	147,370	-	147,370
Other comprehensive income	-	-	-	-
At 31 December 2009	<u><u>5,801,000</u></u>	<u><u>(5,091,638)</u></u>	<u><u>-</u></u>	<u><u>709,362</u></u>

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

CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	<u>Note</u>	<u>2010</u> RM	<u>2009</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before taxation		45,353	24,801
Adjustments for:			
Grant		(2,728,736)	(2,295,913)
Subscriber services fee		196,654	80,758
Gain on redemption of financial assets available-for-sale (Write-back)/Allowance for impairment of financial assets available-for-sale		(1,274)	(163)
Depreciation of property and equipment		(1,842)	11,249
Property and equipment written-off		29,612	28,938
Dividend income		-	1,796
Interest income		(3,499)	(1,917)
		(27,859)	(22,721)
		<u>(2,491,591)</u>	<u>(2,173,172)</u>
Changes in working capital:			
Receivables		(82,325)	(154,183)
Payables		(297,481)	(137,008)
		<u>(2,871,397)</u>	<u>(2,464,363)</u>
Cash used in operating activities		(2,871,397)	(2,464,363)
Subscriber services fee received		211,194	129,150
Dividend income received		3,499	1,917
Interest income received		29,162	28,588
Tax paid		-	(970)
Interest paid		-	-
		<u>(2,627,542)</u>	<u>(2,305,678)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(92,278)	(40,662)
Purchase of financial assets available-for-sale		(7,261)	(30,786)
Proceeds from redemption of financial assets available-for-sale		1,682	342
		<u>(97,857)</u>	<u>(71,106)</u>
Net cash used in investing activities		(97,857)	(71,106)
CASH FLOWS FROM FINANCING ACTIVITIES			
Grant received		3,750,000	3,000,000
		<u>3,750,000</u>	<u>3,000,000</u>
Net cash generated from financing activities		3,750,000	3,000,000
Increase in cash and cash equivalents during the financial year		1,024,601	623,216
Cash and cash equivalents at beginning of the financial year		1,502,927	879,711
		<u>1,502,927</u>	<u>879,711</u>
Cash and cash equivalents at end of the financial year	13	<u>2,527,528</u>	<u>1,502,927</u>

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

A BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act 1965 and Financial Reporting Standards, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

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 Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying 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

The new accounting standards, amendments and improvements to published standards and interpretations that are effective for the Company's financial year beginning on or after 1 January 2010 are as follows:

- FRS 7 "Financial Instruments: Disclosures" and the related Amendments
- FRS 101 (revised) "Presentation of Financial Statements"
- FRS 139 "Financial Instruments: Recognition and Measurement" and the related Amendments.
- Improvements to FRSs (2009)

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

- The revised FRS 124 "Related party disclosures" (effective from 1 January 2012) removes the exemption to disclose transactions between government-related entities and the government, and all other government-related entities. The following new disclosures are now required for government related entities:
 - The name of the government and the nature of their relationship;
 - The nature and amount of each individually significant transactions; and
 - The extent of any collectively significant transactions, qualitatively or quantitatively.

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

A BASIS OF PREPARATION (CONTINUED)

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

- Amendments to FRS 7 “Financial instruments: Disclosures” and FRS 1 “First-time adoption of financial reporting standards” (effective from 1 January 2011) requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.

The Company has applied the transitional provision which exempts entities from disclosing the possible impact arising from the initial application of this amendment on the financial statements of the Company.

- IC Interpretation 4 “Determining whether an arrangement contains a lease” (effective from 1 January 2011) requires the Company to identify any arrangement that does not take the legal form of a lease, but conveys a right to use an asset in return for a payment or series of payments. This interpretation provides guidance for determining whether such arrangements are, or contain, leases. The assessment is based on the substance of the arrangement and requires assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset. If the arrangement contains a lease, the requirements of FRS 117 “Leases” should be applied to the lease element of the arrangement.

Improvements to FRSs:

- FRS 101 “Presentation of financial statements” (effective from 1 January 2011) clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

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

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

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.

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.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

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 FINANCIAL ASSETS AVAILABLE-FOR-SALE

The Company has changed its accounting policies for recognition and measurement of financial assets upon adoption of FRS139 "Financial Instruments: Recognition and Measurement" on 1 January 2010. The Company has applied the new policies according to the transitional provision of FRS139 by re-measuring all financial assets, as appropriate, and recording and adjustments to the previous carrying amounts to opening available-for-sale reserve. The effects of these changes in accounting policies are disclosed in Note 17.

In accordance with FRS 139, all financial assets which include derivative financial instruments have to be recognised in the statement of financial position and measured in accordance with their assigned category.

Financial assets available-for-sale are non-derivative financial assets that are either designated in this category or not classified as held-for-trading or held-to-maturity investments. All investments in equity instruments are classified as financial assets available-for-sale.

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia as a company limited by guarantee)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

H FINANCIAL ASSETS AVAILABLE-FOR-SALE (CONTINUED)

Any gains or losses arising from the change in fair value adjustments are recognised directly in statement of comprehensive income except for impairment losses and foreign exchange gains or losses. When the financial asset is derecognised, the cumulative gains or loss previously recognised in statement of comprehensive income shall be transferred to the income statement.

Impairment of financial assets available-for-sale is assessed when there is an objective evidence of impairment. Cumulative unrealised losses that had been recognised directly in equity shall be removed and recognised in income statement even though the securities have not been derecognised. Impairment loss in addition to the above unrealised losses is also recognised in the income statement.

For equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment resulting in the recognition of an impairment loss. Impairment losses recognised in the income statement on equity instruments shall not be reversed.

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.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

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 2010

1 GENERAL INFORMATION

The principal activity is 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 15 (2009: 17).

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

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

2 REVENUE

	<u>2010</u> RM	<u>2009</u> RM
Sales of Publications	232,105	222,162
Proxy services fee	12,000	19,000
Forum and events	419,098	268,155
Subscriber services fee	196,654	80,758
	<u>859,858</u>	<u>590,075</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>2010</u> RM	<u>2009</u> RM
Salaries and bonus	1,817,003	1,400,691
Defined contribution plan ('EPF')	263,818	154,939
Staff gratuity	28,960	37,100
Other employee benefits	129,960	86,981
	<u>2,239,740</u>	<u>1,679,711</u>

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

4 STAFF COSTS (CONTINUED)

The amount of salaries and bonus and contribution to EPF received by the CEO/Director of the Company during the financial year were RM513,930 (2009: RM378,000) and RM118,906 (2009: RM45,360) respectively.

5 OTHER OPERATING EXPENSES

	<u>2010</u> RM	<u>2009</u> RM
Printing expenses	20,000	63,400
Outsourcing expenses	445,821	433,232
Rental expenses	134,746	129,984
Travelling, accommodation and entertainment expenses	175,548	114,413
Forum and event expenses	247,396	113,575
Telecommunication expenses	112,489	92,214
Repair and maintenance expenses	28,459	65,522
Insurance	59,931	38,528
Office supplies	55,294	43,735
Professional fees	28,556	49,131
Taxes and licenses fees	7,637	10,275
(Write-back)/allowance for impairment of financial assets available-for-sale	(1,842)	11,249
Property and equipment written-off	-	1,796
Others	2,404	7,408
	<u>1,316,440</u>	<u>1,174,462</u>

6 SURPLUS FROM OPERATIONS

Surplus from operations is arrived at after charging:

Auditors' remuneration	10,000	10,000
Director's meetings attendance allowance	27,500	25,500
Interest income	27,859	22,721
Dividend income	3,499	1,917
	<u> </u>	<u> </u>

7 FINANCE COST

Other finance charges	2,802	2,877
	<u>2,802</u>	<u>2,877</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

8 TAXATION

	<u>2010</u> RM	<u>2009</u> RM
Current year tax	1,270	800
Over-provision of prior years' tax	(404)	-
Deferred tax (Note 11)	(464,459)	(123,369)
	<u>(463,593)</u>	<u>(122,569)</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>2010</u> RM	<u>2009</u> RM
Surplus before taxation	<u>45,353</u>	<u>24,801</u>
Tax calculated at the Malaysian tax rate of 25d% (2009: 25%)	11,338	6,200
Tax effects of:		
- expenses not deductible for tax purposes	263,325	210,235
- income not taxable	(319)	(40)
- previously unrecognised tax losses and capital allowance	(730,964)	(333,604)
- over provision of prior years' tax	(404)	-
- effect of lower tax rate	(6,569)	(5,360)
Taxation	<u>(463,593)</u>	<u>(122,569)</u>
Tax savings during the financial year arising from:		
- utilisation of previously unrecognised tax losses	<u>1,027,180</u>	<u>208,345</u>

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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 2010 (CONTINUED)

9 PROPERTY AND EQUIPMENT

	<u>Computer and electronic equipment</u> RM	<u>Furniture and fittings</u> RM	<u>Office equipment</u> RM	<u>Motor vehicle</u> RM	<u>Total</u> RM
<u>2010</u>					
<u>Cost</u>					
At 1 January 2010	194,862	184,195	51,457	172,261	602,775
Additions	38,770	29,060	24,448	-	92,278
At 31 December 2010	<u>233,632</u>	<u>213,255</u>	<u>75,905</u>	<u>172,261</u>	<u>695,053</u>
<u>Accumulated depreciation</u>					
At 1 January 2010	154,534	163,955	40,417	172,261	531,167
Charge of the year	17,682	8,430	3,500	-	29,612
At 31 December 2010	<u>172,216</u>	<u>172,385</u>	<u>43,917</u>	<u>172,261</u>	<u>560,779</u>
<u>Net book value</u>					
At 31 December 2010	<u>61,416</u>	<u>40,870</u>	<u>31,988</u>	<u>-</u>	<u>134,274</u>
<u>2009</u>					
Cost	194,862	184,195	51,457	172,261	602,775
Accumulated depreciation	154,534	163,955	40,417	172,261	531,167
Net book value	<u>40,328</u>	<u>20,240</u>	<u>11,040</u>	<u>-</u>	<u>71,608</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

10 FINANCIAL ASSETS AVAILABLE-FOR-SALE

	<u>2010</u> RM	<u>2009</u> RM
At fair value:		
Quoted shares in Malaysia	117,435	74,365
Allowance for impairment	(9,407)	(11,249)
	<u>108,028</u>	<u>63,116</u>
At fair value:		
Quoted shares in Malaysia	<u>108,028</u>	<u>88,296</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>2010</u> RM	<u>2009</u> RM
Subject to income tax:		
Deferred tax asset (after offsetting)	<u>652,773</u>	<u>197,369</u>

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

	<u>2010</u> RM	<u>2009</u> RM
At 1 January		
- As previously reported	197,369	74,000
- Effect of adoption of FRS 139	(6,320)	-
At 1 January, as restated	<u>191,049</u>	<u>74,000</u>
(Charged)/credited to income statement (Note 8)	464,458	123,369
- Property and equipment	(11,112)	(8,976)
- Unutilised tax losses	475,570	132,345
(Charged)/credited to comprehensive income	<u>(2,734)</u>	-
At 31 December	<u>652,773</u>	<u>197,369</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

11 DEFERRED TAX ASSET (CONTINUED)

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

	<u>2010</u> RM	<u>2009</u> RM
Deferred tax asset (before offsetting)		
- Unutilised tax losses	683,915	208,345
Offsetting	(31,142)	(10,976)
	<u>652,773</u>	<u>197,369</u>
Deferred tax asset (after offsetting)		
Deferred tax liability (before offsetting)		
- Property and equipment	(22,088)	(10,976)
- Available-for-sale reserve	(9,054)	-
Offsetting	31,142	10,976
	<u>-</u>	<u>-</u>
Deferred tax liability (after offsetting)		

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>2010</u> RM	<u>2009</u> RM
- Unutilised tax losses	<u>-</u>	<u>2,907,919</u>

12 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<u>2010</u> RM	<u>2009</u> RM
Other receivables	202,204	152,204
Deposits and prepayments	95,833	64,812
	<u>298,036</u>	<u>217,016</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

13 CASH AND CASH EQUIVALENTS

	<u>2010</u> RM	<u>2009</u> RM
Cash and bank balances	1,227,528	94,290
Deposits with a financial institution	1,300,000	1,408,637
	<u>2,527,528</u>	<u>1,502,927</u>

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

	<u>2010</u> %	<u>2009</u> %
Deposits with a financial institution	<u>2.5</u>	<u>2.0</u>

Deposits with a financial institution have an average maturity of 120 days (2009: 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>2010</u> RM	<u>2009</u> RM
Within 1 year	151,764	110,135
Within 2 to 5 years	63,235	162,278
	<u>214,999</u>	<u>272,413</u>

15 FINANCIAL RISK MANAGEMENT

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risks mainly arise from open positions in interest-bearing assets, to the extent that these are exposed to general and specific market movements. Management sets limits on the exposure to interest rate risk that may be accepted, which are monitored on a monthly basis.

As the Company's interest-bearing assets do not generate significant amounts of interest, changes in market interest rates do not have any significant direct effect on the Company's income.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

16 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company has no significant concentrations of credit risk. Credit risk arises from grant receivable, other receivables, deposits and prepayments and cash and bank balances. The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty or any financial institution.

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

	<u>2010</u> RM	<u>2009</u> RM
Grant receivable	-	750,000
Other receivables, deposits and prepayments	298,036	217,016
Cash and cash equivalents	2,527,528	1,502,927

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 2010</u>			
Grant receivable	-	-	-
Other receivables, deposits and Prepayments	-	-	298,036
Cash and cash equivalents	-	2,527,528	-
<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	-

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

16 **FINANCIAL RISK MANAGEMENT (CONTINUED)**

(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 7 "Financial Instruments: Disclosure". 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 2010 and 31 December 2009 approximates its fair value due to the limited term to maturity of these instruments or limited sensitivity to interest rates.

17 **CHANGES IN ACCOUNTING POLICY**

Restatement of opening balances due to the adoption of FRS 139

The Company has applied the new standard in relation to the financial instruments in accordance with the transitional provisions in FRS 139 by recognising and re-measuring all financing assets and financial liabilities as at 1 January 2010 as appropriate. The related adjustments to the previous carrying amounts are made to the available-for-sale reserve as appropriate. The effects of the changes are disclosed below:-

	As previously reported RM	Effect of adoption of FRS 139 RM	As restated RM
Statement of Financial Position As at 1 January 2010			
Financial assets available-for-sale	63,116	25,281	88,397
Deferred tax asset	197,369	(6,320)	191,049
	260,485	18,961	279,446
Available-for-sale reserve	-	18,961	25,281

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

17 CHANGES IN ACCOUNTING POLICY (CONTINUED)

Impact on the Company's statement of financial position

Increase/(decrease) to balance as at 31 December 2010

	FRS 139 RM	Total RM
Financial assets available-for-sale	36,217	36,217
Deferred tax asset	(9,054)	(9,054)
Available-for-sale reserve	27,163	27,163

Impact on the Company's statement of comprehensive income

Increase/(decrease) for the financial year ended 31 December 2010

	FRS 139 RM	Total RM
Other comprehensive income:		
Financial assets available-for-sale, net of tax	8,202	8,202

18 APPROVAL OF FINANCIAL STATEMENTS

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

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

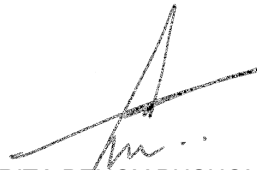
STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Tan Sri Abdul Halim bin Ali and Rita Benoy Bushon, 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 23 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2010 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

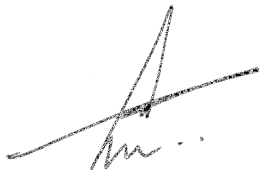


RITA BENOY BUSHON
DIRECTOR

Kuala Lumpur
14 February 2011

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 23 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 14 February 2011.

Before me:



COMMISSIONER FOR OATH

Lot 1.08, Tingkat 1,
Bangunan KWSP, Jln Raja Laut,
50350 Kuala Lumpur.



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 statement of financial position as at 31 December 2010, and the statement of comprehensive income, 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 23.

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.



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

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 2010 and of its financial performance and cash flows for the financial year then ended.

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 YEAN
(No. 2682/10/11 (J))
Chartered Accountant

Kuala Lumpur
14 February 2011