



SURUHANJAYA SYARIKAT MALAYSIA
COMPANIES COMMISSION OF MALAYSIA

ANNUAL REPORT | 2010

MEETING BUSINESS NEEDS







CONTENTS

- 02. Milestones 2010
- 07. Minister's Message
- 11. Chairman's Foreword
- 15. CEO's Review of the Year
- 23. SSM's Commission Members
- 31. SSM's Executive Management
- 41. 2010 Economic Review and SSM's Key Statistical Analysis
- 49. Report on Public Service Delivery System
- 63. Report on Enforcement Initiatives
- 93. Report on Stakeholders' Engagements, Collaborations and Law Reform
- 113. Financial Statements



COVER RATIONALE

The 2010 Annual Report cover depicts a breathtaking view of 'the reflection' of SSM's headquarters through the glass panels of another building: a clear 'reflection of SSM 2010' as it stands tall, committed to enhancing public service delivery and facilitating business. SSM is all set to achieve new heights in meeting business needs by creating a conducive and responsive business environment for the nation.

MILESTONES 2010

27–29 JANUARY 2010

Outreach programme: **'Your Business Begins at SSM'** held at UniKL. Four Public Universities and seven Private Universities participated to encourage entrepreneurship among graduates.

Public Universities

- International Islamic University Malaysia (IIUM)
- Universiti Kebangsaan Malaysia (UKM)
- Universiti Teknologi Mara (UiTM)
- University of Malaya (UM).

Private Universities

- Universiti Kuala Lumpur (UniKL)
- Universiti Teknikal Malaysia, Melaka (UTeM)
- Management And Science University (MSU)
- Advanced Management and Technology Centre (PTPL) College
- Universiti Sains Islam Malaysia (USIM)
- Universiti Tenaga Nasional (Uniten)
- Kuala Lumpur Metropolitan University (KLMU).

PUBLIC UNIVERSITIES



PRIVATE INSTITUTIONS



SURUHANJAYA SYARIKAT MALAYSIA
COMPANIES COMMISSION OF MALAYSIA



28 JANUARY 2010

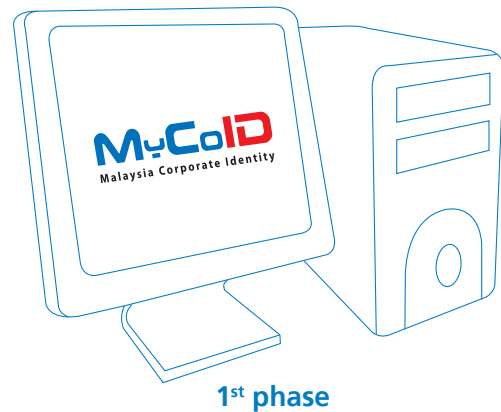
Signing of the **Memorandum of Understanding (MoU) between SSM and UNICEF** with the main objective being to collaborate on enhancing the welfare of children in Malaysia through the practice of CR among the corporate and business community.

'MoU between SSM and UNICEF on Corporate Responsibility (CR)'

Milestones 2010 (cont'd)

11 FEBRUARY 2010

Launching of the **first phase of the Malaysian Corporate Identity (MyCoID)** project by the Honourable Prime Minister at the Putrajaya International Convention Centre (PICC).



1st phase



18 MARCH 2010 AND 16 JULY 2010

SSM-IIM Corporate Responsibility & Corporate Integrity Forum aimed at providing a better understanding on the concept of CR and corporate integrity, and to further inculcate the culture of these two concepts among the small and medium enterprises (SMEs).



1 APRIL 2010

Introduction of **SSM's Second Economic Stimulus Package** from 1 April 2010 to 31 December 2010 in support of the Government's efforts in sustaining the nation's economic recovery since the global economic slowdown of 2009. The initiative provided a temporary reduction of 15% on fees for the incorporation of new companies with an authorized capital of less than RM1 million.



Milestones 2010 (cont'd)

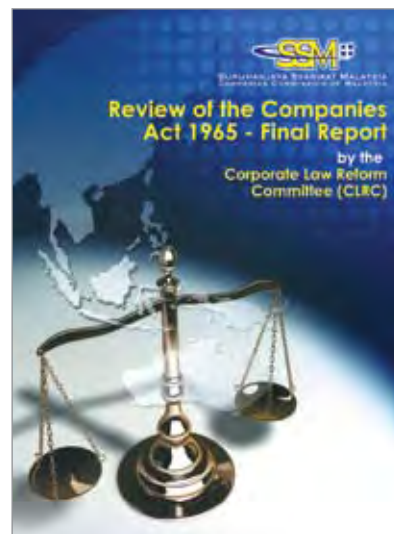


1 APRIL 2010

Introduction of the **1-Day Company Incorporation service**. This service enables SSM customers to go through registration procedures (name search and approval, lodgement of incorporation documents, stamping of the Memorandum and Articles of Association (M&A), and the purchase of statutory books, company common seal and share certificates) quickly and efficiently at SSM within the same day. Provided that incorporation documents are presented before noon, the certificate of incorporation will be issued within the same day.

18 JUNE 2010

Endorsement by the Cabinet on the 19 Policy Statements as the basis for the drafting of the New Companies Bill. The 19 Policy Statements cover recommendations by the Corporate Law Reform Committee towards creating a robust and dynamic corporate legal framework. The New Companies Bill will articulate the desire for the simplification of law and procedures, facilitating growth of private companies while at the same time maintaining best practices of good governance.



22-24 JUNE 2010

THE REGIONAL CAMBRIDGE INTERNATIONAL SYMPOSIUM ON ECONOMIC CRIME 2010 KUALA LUMPUR

The **Inaugural Regional Cambridge International Symposium on Economic Crime** with the theme 'Attaining Corporate Resilience through Governance and Integrity' was **successfully organized by SSM in association with the Centre for International Documentation on Organised and Economic Crime (CIDOEC)**. With 24 speakers and role-players from CIDOEC, along with local experts, the Symposium was attended by 342 delegates comprising local and international participants.

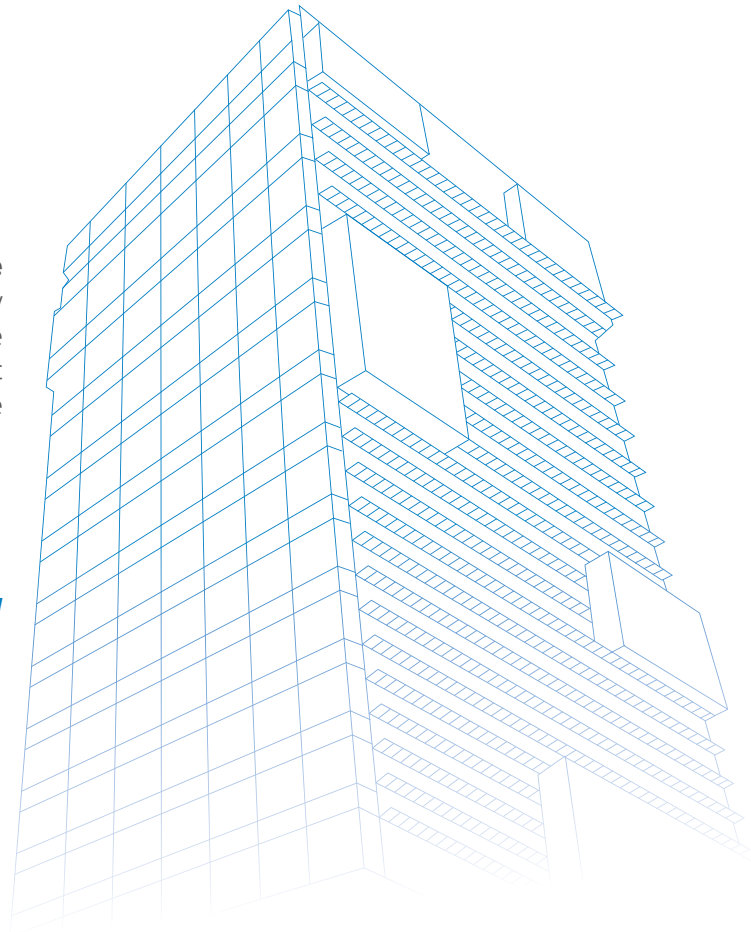


Milestones 2010 (cont'd)

29 JULY 2010

Launching of **SSM's new corporate office 'Menara SSM@Sentral'**. A modern 31-storey building constructed with world-class infrastructure and equipped with state-of-the-art facilities, it has enabled SSM to provide better services to the public.

Menara SSM@Sentral



7 SEPTEMBER 2010

Delivery of the **Keynote Address by SSM's CEO, Dato' Azmi Bin Ariffin at the 28th Cambridge International Symposium on Economic Crime** themed 'The New Deal — Ensuring Integrity, Stability and Survival' at Jesus College, University of Cambridge, United Kingdom in **acceptance of an invitation by the Centre for International Documentation on Organised and Economic Crime (CIDOEC)**.

TWENTY-EIGHTH INTERNATIONAL SYMPOSIUM ON ECONOMIC CRIME

SUNDAY 5TH SEPTEMBER - SUNDAY 12TH SEPTEMBER 2010

JESUS COLLEGE, UNIVERSITY OF CAMBRIDGE

**The New Deal - Ensuring Integrity,
Stability and Survival**

Principal Sponsor
Serious Fraud Office England & Wales



Milestones 2010 (cont'd)

19 OCTOBER 2010

Tuanku Ja'afar Law Conference on contemporary issues pertaining to CG and CR. It was officiated by the Yang Di-Pertuan Besar of Negeri Sembilan, DYMM Tuanku Muhriz Ibni Almarhum Tuanku Munawir, who is also UKM's Chancellor. The Conference was co-organized by UKM's Law Faculty and SSM. The event was held at the Tun Dr. Siti Hasmah Auditorium at Menara SSM@Sentral Kuala Lumpur.



3 NOVEMBER 2010

Launching and mobilization of the **second phase of the MyCoID** system. MyCoID enables simultaneous registration with the Employees Provident Fund (EPF), the Inland Revenue Board of Malaysia (IRBM), the Social Security Organisation (SOCSO), Small and Medium Enterprise Corporation (SME Corp) and the Human Resources Development Fund (HRDF) once a company is incorporated at SSM via a single submission.

9 NOVEMBER 2010

Launch of the **SSM-UNICEF tool-kit on 'How to Set Up a Child Care Centre at the Work Place'** by YABhg. Datin Paduka Seri Rosmah Mansor. The tool-kit reflects SSM's strong support in encouraging the practice of social responsibility at the work place among the corporate community in Malaysia.



MINISTER'S MESSAGE



MINISTER'S MESSAGE



I have observed with great interest the efforts of the Companies Commission of Malaysia (SSM) in supporting the national agenda as well as meeting the challenges of tomorrow through its Second Strategic Direction Plan (SDP II).

The year 2009 was the worst global economic recession since the period post-World War II. Even though the global economy is on the road to recovery, the speed of recovery is still tepid at best. In advanced economies such as the United States, Japan, the European Union and the United Kingdom, households and financial institutions were seeking to repair balance sheets and manage constrained credit growth due to, among others, employment uncertainty and an increase in household debts.

Each region had experienced the economic crisis in varying measures. However, recovery in emerging economies was more apparent, evidenced by a steady growth in their domestic demand. These emerging economies are not just leading the recovery but are increasingly an important source of stability, with many of the risks to global growth centered on high-income countries. The strong growth in domestic demand in developing countries

Minister's Message (cont'd)

will continue to lead growth in the world economy. The Government's continuing efforts to boost the economy proved to be fruitful. In 2010 the Malaysian economy rebounded with a 7.2% growth in GDP from a 1.7% contraction in 2009. Public spending through the two economic stimulus packages and an accommodative monetary policy helped the nation regain its growth momentum.

The services sector has been a key contributor towards the nation's economic growth, expanding by 6.8% per annum during the Ninth Malaysia Plan period (2006–2010) and contributing a 58.0% share to GDP in 2010. A strong performance in finance, insurance, real estate and business services, wholesale and retail trade, accommodation and restaurants, as well as the transport and communications subsectors also contributed significantly toward the expansion.

Malaysia has become an export-driven economy with the impetus on high-level technology, a knowledge-based economy and capital intensive industries. It is moving towards an economy driven by productivity and innovation. This development has been proven successful in nurturing, attracting and retaining talent, and in the process, benefitting companies and increasing capital. Malaysia must grow at 6% per annum over the Tenth Malaysia Plan period (2011–2015) in order to achieve its aspiration of becoming a high-income advanced economy by 2020.

I have observed with great interest the efforts of the Companies Commission of Malaysia (SSM) in supporting the national agenda as well as meeting the challenges of tomorrow through its Second Strategic Direction Plan (SDP II). The SDP II was introduced as a repositioning exercise to strategically position the nation as the preferred destination to conduct business. I believe that the 7 Strategic Thrusts will drive the nation towards achieving its aspirations:

- promoting and driving good governance and corporate responsibility coupled with efforts in ensuring a conducive and sustainable business environment
- delivering innovative products and services to meet stakeholder needs
- providing superior service delivery through operational excellence
- generating synergies through strategic collaboration
- evolving to a knowledge driven organization to develop competitive advantage
- driving a high performance culture through capacity and capability building, and
- optimizing ICT to enhance efficiency, effectiveness and enterprise agility.

SSM's latest ICT-driven initiative in introducing the MyCoID, together with the Inland Revenue Board of Malaysia (IRBM), the Employees Provident Fund (EPF), the Social Security Organisation (SOCSO), SME Corporation Malaysia (SME Corp) and the Human Resources Development Fund (HRDF) will significantly reduce the time, number of procedures and cost needed to start a business in Malaysia. The existence of this system will not only be beneficial to the stakeholders, but will also result in an improved public service delivery system in accordance with the principles of 1Malaysia, People First, Performance Now.

Throughout 2010, SSM has consistently delivered an outstanding performance, charting milestones that range from the successful nationwide implementation of the 1-Day Company Incorporation service and the excellent organization of the Regional Cambridge International Symposium on Economic

Minister's Message (cont'd)

Crime in Kuala Lumpur to the mobilization of its corporate responsibility efforts, driving the notion that corporate responsibility and good corporate governance must not be forgotten in the pursuit of business profitability. SSM's unyielding efforts in creating awareness on corporate responsibility are reflected in its strategic collaborations with the United Nations Children's Fund (UNICEF), Universiti Kebangsaan Malaysia (UKM) and the Malaysian Institute of Integrity (IIM). I have witnessed the execution of the Memorandum of Understanding (MoU) between SSM and UNICEF that aims to enhance the well being, and protect the welfare of children in Malaysia through the issuance of the first Best Business Practice Circular (BBPC) entitled 'Establishment of a Child Care Centre at the Work Place by Corporate and Business Employers'. Together with UNICEF, SSM had also proceeded to issue a tool-kit to complement the BBPC so as to help employers establish a child care centre at the work place. I believe that this is an excellent strategy in retaining talent, especially among working mothers. Family-oriented work policies such as this will raise productivity, boost morale, increase commitment, reduce absenteeism and tardiness, and reduce turnover. By ensuring that working mothers receive the support that they need in balancing professional and personal demands, employers improve their standing as an effective organization, thus increasing their ability to attract skilled workers.

The launch of Menara SSM@Sentral on 29 July 2010 marked yet another highlight in the string of SSM's achievements. Since its establishment in 2002, SSM has relocated numerous times. Therefore, it was with much pride and anticipation that SSM made Menara SSM@Sentral its new premise. The new corporate headquarters is a symbol of progress for the 8-year-old statutory body and its vision in meeting business needs through efficient registration procedures, accurate dissemination of information, and competent monitoring and advisory work. All these positive work practices serve to boost economic competitiveness which in turn attracts foreign investors to Malaysia.

In order for Malaysia to evolve into a developed economy, society must change their mindset and focus on practising positive values that emphasizes on, and encourages, a culture of high productivity and excellence. This will ensure that our success is sustained.

The milestones achieved in 2010 reflect SSM's commitment in serving the Malaysian public and the country. With SSM's continuous efforts, I am certain that 2011 will prove to be a momentous and successful year.

DATO' SRI ISMAIL SABRI BIN YAAKOB

Minister of Domestic Trade,
Co-operatives & Consumerism
23 May 2011

CHAIRMAN'S FOREWORD



CHAIRMAN'S FOREWORD



In 2010, SSM continued to work on improving Malaysia's international ranking in the World Bank's 'Ease of Doing Business' index. Malaysia's ranking on the index has improved tremendously compared to its previous ranking in the World Bank's 'Doing Business Report 2010'.

I am proud to state that in 2010, the Companies Commission of Malaysia (SSM) made giant leaps in revolutionizing the public service delivery system for business sectors in Malaysia by expediting the process and procedures of starting a business. I wish to acknowledge the innovative restructuring of our business processes that culminated in the delivery of the 1-Day Company Incorporation service and the Malaysia Corporate Identity number, or the MyCoID. These innovations will complement the existing e-Info and e-Lodgement services introduced previously, which had enjoyed encouraging response from the public. SSM's relentless efforts in improving its work processes have resulted in an enhanced and efficient public service delivery system.

Chairman's Foreword (cont'd)

The 1-Day Company Incorporation service was the result of successful collaborative efforts between SSM and the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU). This new framework covers all aspects involving the procedures, duration and costs of starting a business. Since its inception on 1 April 2010, the 1-Day Company Incorporation service has been successful in offering the public an effortless means of incorporating a company in Malaysia.

SSM also reached new heights in innovation and creativity with the launching of the online company incorporation and registration with five participating government agencies via the Malaysia Corporate Identity number (MyCoID). Since its official phase-one launch on 11 February 2010 and the official phase-two launch on 3 November 2010, this challenging project is now fully operational. With its full implementation now in progress, MyCoID will achieve another significant milestone for SSM.

In 2010, SSM continued to work on improving Malaysia's international ranking in the World Bank's 'Ease of Doing Business' index. Malaysia's ranking on the index has improved tremendously compared to its previous ranking in the World Bank's 'Doing Business Report 2010'. Improvements in the areas of Starting a Business, Enforcing Contracts, Registering a Property, Paying Taxes and Trading Across Borders has seen Malaysia's ranking moving up two notches from 23 to 21.

On another spectrum, SSM participated in the Special Taskforce on combating white-collar crimes. After several meetings throughout 2010, the Taskforce had unanimously proposed an amendment to the existing provisions relating to kootu (or Tontine) schemes, urging the imposition of higher penalties and severe punishment on parties responsible

for organizing such schemes. SSM will play a vital role in executing amendments as proposed by this Taskforce as the Kootu Funds (Prohibition) Act 1971 is under the purview of SSM.

SSM's efforts in combating white-collar crimes had been re-affirmed by its efforts in successfully organizing the prestigious Regional Cambridge International Symposium on Economic Crime 2010 in collaboration with the Centre for International Documentation on Organised and Economic Crime (CIDOEC). I am impressed that a symposium of this scale which for the past 27 years has been held annually at the University of Cambridge, was successfully hosted in Kuala Lumpur for relevant stakeholders in the Asia Pacific region.

Year 2010 also saw SSM establishing itself in the realm of corporate responsibility or corporate social responsibility. Following the launch of the SSM Corporate Responsibility Agenda in 2009, SSM now has a dedicated Corporate Responsibility Unit and several collaborative initiatives under its belt. One such collaboration was with the United Nations Children's Fund (UNICEF), which resulted in the release of the Best Business Practice Circular 1 of 2010 and a Tool Kit on How to Set Up a Child Care Centre at the Work Place. SSM's commitment to corporate responsibility is in line with the Government's strategic thrust under the 10th Malaysian Plan and exemplifies responsible business conduct among the companies and businesses in Malaysia.

Moving forward to 2011, SSM will introduce two significant reforms in the shape of a new Companies Bill and the Limited Liability Partnership Bill. The new Companies Bill will modify, and to a certain extent, fortify the existing Companies Act 1965 with reforms on areas relating to incorporation, management,

Chairman's Foreword (cont'd)

capital maintenance, shares, charges, corporate governance, winding-up, rescue mechanisms and enforcement. The second major reform is the Limited Liability Partnership Bill which will provide the Malaysian business community with an alternative business vehicle. This new Bill merges elements of companies and conventional partnerships, offering the choice of flexibility in internal management.

In anticipation of rolling out other initiatives SSM has in store for the year, I have no doubt that 2011 will be another great year brimming with outstanding achievements. On this note, I would like to urge all staff at SSM to carry on the distinctive work culture of quality and strive towards building SSM into an authority that excels in every endeavour.

DATUK MOHD ZAIN BIN MOHD DOM

Chairman,
Companies Commission of Malaysia
23 May 2011

CEO'S REVIEW OF THE YEAR



CEO'S REVIEW OF THE YEAR

After the successful implementation of the first 'SSM economic stimulus package' which was put into practice on 1 April 2009, SSM subsequently implemented its second 'SSM economic stimulus package' after the first package ended on 31 March 2010.



Following a challenging year in 2009, I am delighted to report that 2010 was yet another year of numerous accomplishments for SSM. The year 2010 marked the beginning of a new era for SSM as the organization moved to its new building at KL Sentral in January. It was indeed a dream come true for SSM to have its very own premises. This ultra-modern 31-storey building is equipped with state-of-the-art infrastructure and facilities that enable SSM to provide a conducive business and regulatory environment to the public. This move is in tandem with our promise of putting Malaysia on the map as one of the best destinations for investors, with business practices that are on par with international standards. According to the World Bank's Doing Business Report 2011, Malaysia moved up to the 21st position from 23 in the previous year. The improvement in rank is testimony to the overall progress of the nation's public service delivery system. SSM has risen to the challenge by

introducing measures to reduce the cost of doing business, and improving the procedures for starting a business, in Malaysia.

Apart from being an efficient and effective regulator, we continue to raise the bar of excellence by providing top notch services designed to meet the needs of businessmen and investors alike. After the successful implementation of the first 'SSM economic stimulus package' which was put into practice on 1 April 2009, SSM subsequently implemented its second 'SSM economic stimulus package' after the first package ended on 31 March 2010. It aims to provide continuous support to the Government in its efforts to sustain the nation's economic recovery since the global economic slowdown in 2009.

The second initiative by SSM was to provide a reduction of 15% on fees for the incorporation of new companies with an authorized capital of less

CEO's Review of The Year (cont'd)

than RM 1 million. This initiative ran from 1 April 2010 to 31 December 2010. This move proved positive as it encouraged the formation of more small and medium enterprises (SMEs) — a key driver of the nation's economic growth — as they accounted for 37% of the nation's GDP and 56% of the total employment in the country. During the year, a total of 31,701 new companies with an authorized capital of RM1 million were incorporated and therefore benefitted from the discount given.

During the year under review, SSM intensified efforts to improve on procedures for starting a business to ensure efficiency, simplicity and cost effectiveness.

As a result of the reform initiatives introduced by SSM in collaboration with the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU), the standard incorporation procedures such as name search and approval, the lodgement of incorporation documents, the stamping of the Memorandum and Articles of Association (M&A), and the purchase of statutory books, company common seal and share certificates can now be done simultaneously at SSM through a single counter interaction, on the same day. This initiative came into effect on 1 April 2010. The reform was further complemented by a business process re-engineering effort, undertaken by SSM and MAMPU, which resulted in the introduction of the MyCoID system. MyCoID is a system that allows simultaneous registration of a company with the Employees Provident Fund (EPF), the Inland Revenue Board of Malaysia (IRBM), the Social Security Organisation (SOCSO), Small and Medium Enterprise Corporation (SME Corp) and the Human Resources Development Fund (HRDF) via a single submission. The success of the MyCoID project is yet another indication of the enhanced coordination and collaboration between SSM and other ministries and agencies. They share a common goal of improving Malaysia's business environment and global competitiveness.

Commencing 1 September 2008, SSM has adopted the Malaysia Standard Industrial Classification 2008 (MSIC 2008) business coding for all types of businesses being carried out by companies and businesses. The MSIC 2008 was introduced by the Malaysia Department of Statistics to ensure that a standardized business code is used for reference and transaction purposes by government agencies and the private sector.

SSM acknowledges the importance of constantly engaging and consulting its stakeholders in order to be able to respond to the evolving changes in the dynamic business and regulatory environment and to meet the ever challenging needs of the stakeholders.

In an effort to maintain a strong relationship with key business stakeholders in Malaysia, SSM continues to seek feedback and exchange views and information with professional bodies, regulatory agencies and the business community through annual dialogues and consultative forums.

In the past year SSM has conducted three Corporate Practice Consultative Forums (CPCF) involving members of the prescribed bodies and company secretarial associations. Two of the CPCF were held in East Malaysia. The forums in Sabah and Sarawak not only enabled SSM to update business stakeholders on new products, policies and projects, but also complements the national drive in promoting equality and togetherness among its people in tandem with the Government's 1Malaysia concept. Additionally, annual dialogues were also held in the two states. It garnered healthy participation from some 250 participants from various professional bodies, the Chamber of Commerce, various industrial associations and Government agencies. This yearly event has provided SSM with plenty of constructive feedback on our initiatives and operations, and has enabled SSM to further improve its service to the business community in East Malaysia.

CEO's Review of The Year (cont'd)

SSM has always been actively involved in international events to enable it to contribute effectively to international developments. It is essential to have solid international engagements as global developments around the world inevitably shapes the business environment and significantly affects our legal framework. SSM remains an active member of the Corporate Registers Forum (CRF) and has attended all CRF sessions since its inception. The CRF 2010 was held in Mauritius from 19 to 23 April 2010. SSM sent a three-member delegation to participate in the event. SSM's participation in the CRF sessions allows for critical self-evaluation and enables it to constantly improve itself, to take the regulatory framework of other leading corporate registries as a benchmark and adopt their strategies into our own practices.

Apart from the CRF, SSM also participated in the 39th meeting of the United Nations Commission on International Trade Law (UNCITRAL) Working Group V meeting on Insolvency Law, held from 6 to 10 December 2010, in Vienna, Austria. Our participation provided us with much insight into the area of cross-border insolvency cooperation with regard to proceedings involving insolvent companies which have assets in more than one country, and the changes that need to be implemented in our insolvency regulatory framework to put them on par with international standards.

SSM is continually reviewing and streamlining its business and corporate regulatory framework in line with its business needs and international best practices. The introduction of the limited liability partnership as an alternative business vehicle for doing business in Malaysia will soon be realized. After intensive consultation sessions with professional legal bodies and the Bar Council, the Limited Liability Partnership Bill has been finalized and is expected to be tabled in the Parliament session in 2011.

The SSM Corporate Responsibility (CR) Agenda — a key area which has been identified for development under SSM's Second Strategic Direction Plan 2010–2014 (SDP II) — serves as a master plan in pursuing and driving CR as a key corporate and business agenda in the country. Several strategic collaborations were carried out with the following institutions to promote and advocate CR in line with the SSM CR Agenda. These are:

1. **United Nations Children's Fund (UNICEF)**

SSM's collaboration with UNICEF officially commenced on 28 January 2010 through the signing of a Memorandum of Understanding (MoU). The MoU outlined the main purpose of the collaboration which was aimed at protecting the welfare, and enhancing the quality of life, of children in Malaysia through the practice of CR among the corporate and business community.

Pursuant to the MoU, SSM and UNICEF jointly developed and published two documents in 2010 on the establishment of child care centers at the work place. For the year 2010, both SSM and UNICEF agreed to focus on advocating this area, in light of the Government's aspirations to enable better participation of women in the workforce and to further assist in creating a sustainable corporate and social environment.

The first publication was the Best Business Practice Circular 1/2010 (BBPC 1/2010) on the Establishment of a Child Care Centre at the Work Place by Corporate and Business Employers. This publication was launched by YB Dato' Sri Ismail Sabri Yaakob, the Minister of Domestic Trade, Co-operatives and Consumerism on 28 January 2010.

CEO's Review of The Year (cont'd)

The second publication was the Tool Kit on How to Set Up a Child Care Centre at the Work Place. This publication was developed to complement the BBPC 1/2010 and further facilitate the understanding of the business and corporate community on the subject matter. The tool-kit was launched on 9 November 2010 by YABhg. Datin Paduka Seri Rosmah Mansor, the wife of the Honourable Prime Minister.

2. Universiti Kebangsaan Malaysia (UKM)

In 2010, SSM and UKM jointly organized the Tuanku Ja'afar Law Conference, which focused on the issues relating to corporate governance (CG) and CR. The main objective of the conference was to provide a better understanding on these two concepts and how they are being applied.

The conference which was held on 19 and 20 October 2010 at the Tun Dr. Siti Hasmah Auditorium at Menara SSM@Sentral, Kuala Lumpur and was officiated by the Yang Di-Pertuan Besar Negeri Sembilan, DYMM Tuanku Muhriz Ibni Almarhum Tuanku Munawir, who is also UKM's Chancellor.

The two-day conference allowed the participants to explore the views of various jurisdictions including Malaysia, United States of America, Indonesia, Hong Kong and India, on contemporary issues pertaining to CG and CR. The conference also featured the experiences of two major companies in Malaysia, ie Johor Corporation and Khazanah Nasional Berhad, and the thoughts of people from various backgrounds including from the corporate and business community, the regulators and the halls of academia.

The year 2010 also saw SSM and UKM starting the initial work for the SSM-UKM National Survey on Corporate Responsibility. This survey is part of the information and data gathering process for the purposes of the research, jointly conducted by SSM and UKM, which aims to ascertain the trend and level of awareness on CR within the corporate and business community in Malaysia.

This national survey — which is the first for SSM — would be fulfilling SSM's function under section 17(f) of the Companies Commission of Malaysia Act 2001 effectively. SSM and UKM plans to jointly publish the findings of the national survey which could further serve as a good reference point in developing a national framework on CR in the near future.

3. Malaysian Institute of Integrity (IIM)

SSM and IIM successfully organized two series of the IIM-SSM Corporate Responsibility and Corporate Integrity Forum in 2010. The first series was held on 18 March 2010 in Kuala Lumpur and the second series was held on 16 July 2010 in Penang.

The forum aspired to provide a better understanding on the concept of CR and corporate integrity, and to further inculcate the practice of these two concepts among the small and medium enterprises (SMEs), which forms 99.2% of business establishments in Malaysia. Acknowledging the significant contribution and influence of the SMEs to the national economy, both SSM and IIM saw the forum as a good platform to prepare and nurture the SMEs on the new business dimensions of the 21st century.

CEO's Review of The Year (cont'd)

Apart from promoting self-regulation and firm regulatory compliance, SSM's enforcement division continues to play a crucial role in creating a conducive and trusted business environment through swift and effective enforcement. There were a total of 7,552 cases of companies that were prosecuted for various offences under various Acts administered by SSM — an increase of 11.6% from the previous year's figure. More cases of serious breach of corporate governance policies under section 125(1), section 132(1) and section 364(2) of the Companies Act 1965 were uncovered during the year and, for the first time, criminal prosecution proceedings were initiated by SSM towards offending companies for offences under the Kootu Funds (Prohibition) Act 1971 and the Anti-Money Laundering and Anti-Terrorism Financing Act 2001.

SSM's training academy (COMTRAC) is playing an increasingly prominent role in promoting regulatory compliance and good corporate governance practices among directors, secretaries and other officers. COMTRAC's training programmes are well received by the business community, with the number of programmes and modules being conducted increasing with each year. During the financial year, a total of 152 training programmes with participants totaling 6,255 were conducted nationwide compared to 134 programmes and 3,749 participants in 2009.

On the international front, SSM, in association with the Centre for International Documentation on Organised and Economic Crime (CIDOEC), had successfully organized the inaugural Regional Cambridge International Symposium on Economic Crime in Kuala Lumpur, with the theme being 'Attaining Corporate Resilience through Governance and Integrity'. The theme corresponds with the Government's emphasis on the need to ensure integrity and transparency in the corporate sector. The Symposium had successfully addressed many

issues pertaining to integrity in the workplace and had managed to stress on the significance of integrity in those performing fiduciary duties for the company as well as those who are the caretakers of public assets. The Symposium was attended by 342 delegates comprising local and international participants. On this note, I wish to thank each and every individual who was responsible for organizing the Symposium for their efforts and to commend them on the commitment shown in making this international event a huge success.

The year 2010 also saw the introduction of e-Library services known as the Virtual Library System (VLIB) in SSM's Resource Centre. The VLIB provides an online catalogue of books, articles and other materials available in SSM's library, and other value-added services. Apart from the VLIB, the library has increased its collection of book titles and law reports, and provides access to online services such as Lexis Nexis and Current Law Journal. This enables staff to easily obtain authoritative news, business information and legal documents.

As part of our continuous efforts to assist company and business stakeholders in understanding and complying with the provisions of the Companies Act 1965, a total of four Practice Notes (PN) were issued in 2010:

- PN 6/2010 — Guidelines for the application to strike off a company which is being wound up
- PN 7/2010 — Guidelines for auditors to inform the Registrar prior to cessation of office under section 172A of the Companies Act 1965
- PN 8/2010 — Explanation on the application of thresholds provided under section 132(1b) of the Companies Act 1965

CEO's Review of The Year (cont'd)

- PN 9/2010 — Guidelines on the application for an extension of time for holding of annual general meetings under section 143(1) and the tabling of accounts under section 169(1) of the Companies Act 1965.

SSM's total revenue reached a record high of RM 328.72 million in 2010. This amount is attributed to the increase in revenue from registration activities and income from investments. I would like to express my sincere thanks and appreciation to all SSM staff for their hard work and commitment as well as having a proactive approach in their line of duty. All these positive traits which were practiced daily have resulted in such an impressive performance in 2010.

SSM'S 2ND STRATEGIC DIRECTION PLAN

Year 2010 is a momentous year for SSM as it marked the beginning of SSM's second Strategic Direction Plan (SDP II), which will run for five years from 2010 to 2014. The SDP II, with a new vision statement

and strategic objectives, has identified seven areas of emphasis, collectively known as the 7 Strategic Thrusts. This, and various other projects will be carried out by SSM in fulfilling its statutory functions as provided under section 17 of the Companies Commission Act 2001. A total of 54 projects have been identified for implementation. Of the total, three projects have been successfully completed, and they are:

- Development of SSM's Corporate Responsibilities
- Engagement and collaboration with reputable organizations
- Conducting educational programmes in collaboration with international institutions.

On the whole, 2010 was a good year for SSM. With this blessing, we intend to build on our accomplishments and make the coming year exceedingly rewarding for our staff and stakeholders.

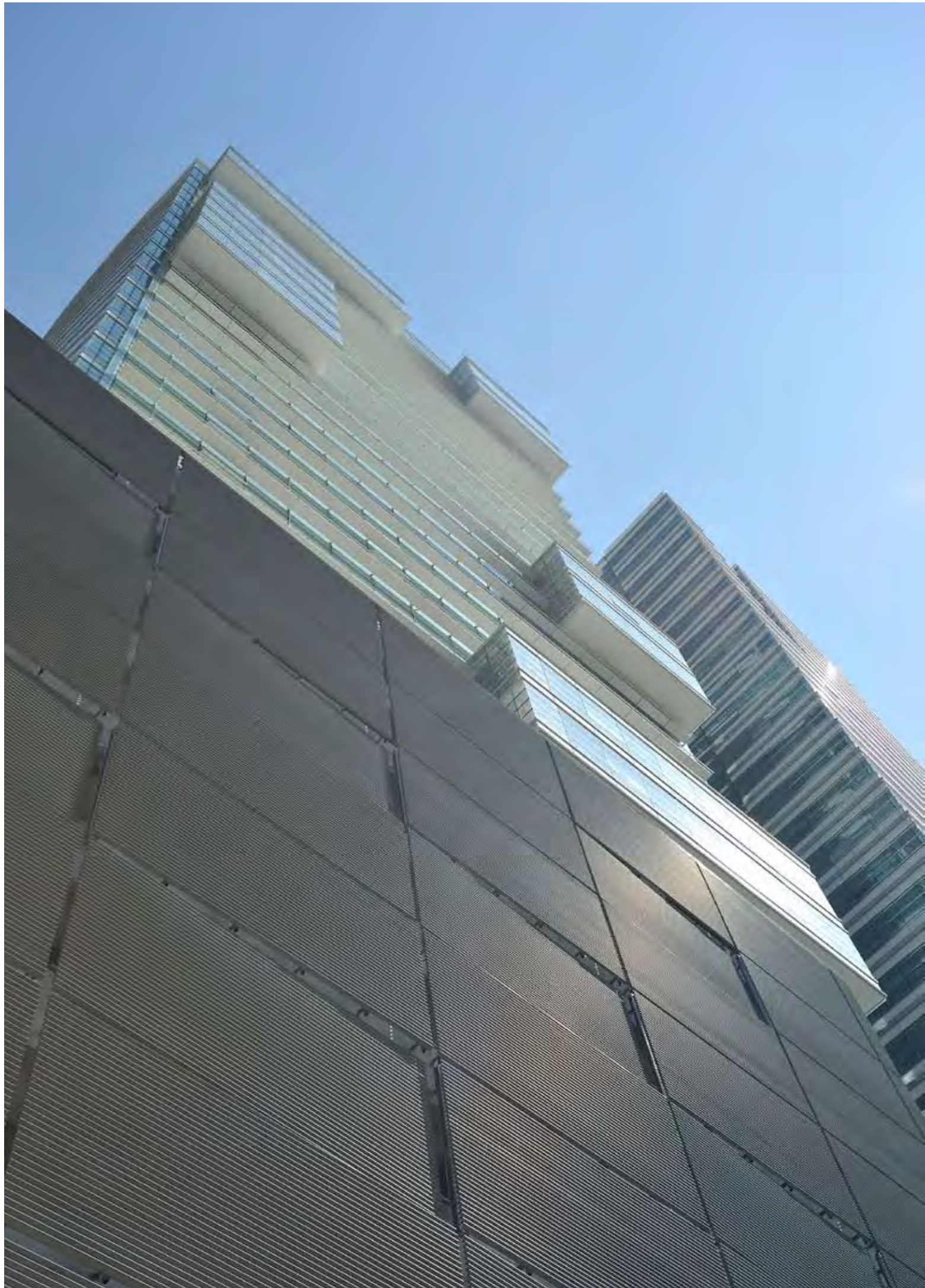
DATO' AZMI BIN ARIFFIN

Chief Executive Officer,
Companies Commission of Malaysia
23 May 2011



SSM'S COMMISSION MEMBERS





SSM'S COMMISSION MEMBERS

The eight distinguished Commission Members are renowned individuals responsible for governing, steering and charting the direction taken by SSM. They are appointed by the Minister of the Domestic Trade, Co-operatives and Consumerism by virtue of section 6(2) of the Companies Commission of Malaysia Act 2001. The Commission Members comprise legal practitioners, senior government officers and corporate players who have facilitated SSM in implementing its mandates. Various accomplishments and improvements in customer services, internal administration of the organization and law reforms were achieved with guidance from

the Commission Members. Since the inception of SSM, they have contributed their experience and expertise in ensuring its continuous success.

This year, the Commission Members had convened on six occasions to discuss and approve long-term plans, oversee KPI performances as well as to make decisions on various important issues. The Commission Members are committed in ensuring that good governance and best practices are duly performed by the Management. The details of the meetings held in 2010 are as follows:

Members	53rd Meeting 23/2/10	Special Meeting 19/3/10 (1/2010)	54th Meeting 29/7/10	55th Meeting 2/9/10	56th Meeting 15/10/10	Special Meeting 6/12/10 (2/2010)
Y. Bhg. Datuk Mohd Zain bin Mohd Dom (Chairman)	•	X	•	•	•	X
Y. Bhg. Datuk Idrus bin Harun	•	•	•	•	•	•
Puan Zaiton binti Mohd Hassan	•	•	X	•	•	•
Y. Bhg. Datuk Idris bin Abdullah	•	•	•	•	•	•
Y. Bhg. Dato' Azmi bin Ariffin (CEO)	•	•	•	•	•	X
Y.B. Dato' Hj. Ismail bin Hj. Mohamed Said	•	X	X	X	X	•
Y.B. Datuk Hj. Sapawi bin Ahmad	•	X	•	•	•	•
Y. Bhg. Datin Rozaina binti Zainuddin	•	•	•	•	X	X

• Attended
X Absent

- 01 DATUK MOHD ZAIN BIN MOHD DOM**
Chairman
- 02 DATO' AZMI BIN ARIFFIN**
- 03 DATUK IDRUS BIN HARUN**
- 04 PUAN ZAITON BINTI MOHD HASSAN**



01



02



03



04

05 DATUK IDRIS BIN ABDULLAH

06 DATO' HJ. ISMAIL BIN HJ. MOHAMED SAID

07 DATIN ROZAINA BINTI ZAINUDDIN

08 DATUK HJ. SAPAWI BIN HJ. AHMAD



05



06



07



08

SSM'S COMMISSION MEMBERS

■ DATUK MOHD ZAIN BIN MOHD DOM

Chairman

Datuk Mohd Zain bin Mohd Dom holds a Bachelor's degree in Sociology from Universiti Sains Malaysia. He started his career with the Malaysian Government's Administration and Diplomatic Corp in 1976 and has, amongst others, held the positions of Assistant Under Secretary and Principal Assistant Director of the International Trade Division, Assistant Permanent Malaysian Representative to Geneva and Deputy Permanent Representative to the United Nations, Geneva (International Trade Division). Other notable appointments include the Minister Counsellor for Economic Affairs of both the Malaysian Permanent Representative Office to the European Union (EU), Brussels, and the Malaysian Permanent Representative Office to the World Trade Organisation (WTO), Geneva. He was the Lead Negotiator for the Malaysia – New Zealand FTA as well as the ASEAN – Australia – New Zealand FTA negotiations in 2005 and 2006.

Datuk Mohd Zain was appointed Secretary General of the Ministry of Domestic Trade, Co-operatives and Consumerism on 6 February 2007. He was then appointed Chairman of SSM on 1 March 2007. Datuk Mohd Zain also serves as a Commission Member of the Malaysian Communications and Multimedia Commission effective January 2008.

■ DATUK IDRUS BIN HARUN

Datuk Idrus bin Harun was appointed a Commission Member in April 2002. He holds a LLB (Hons) Degree from the University of Malaya. He started his career as a Legal Officer in 1980. Datuk Idrus has since served in various senior positions, including the Senior Assistant Registrar of the Kuala Lumpur High Court, Sessions Court Judge in Kota Kinabalu, Deputy Public Prosecutor of the Attorney General's Chambers, Legal Advisor for the State of Terengganu, Senior Federal Counsel of the Anti-Corruption Agency and Legal Advisor for the Election Commission. He was the Registrar of Companies from 1998 to 2002. Thereafter he resumed his service at the Attorney General's Chambers as Head of the Advisory and International Division and as Parliamentary Draftsman before being appointed to his current position as Solicitor General.

Datuk Idrus also served as a member of the Labuan Offshore Financial Services Authority (LOFSA), Securities Commission and the Foreign Investment Committee (FIC), among others. At present, he is a member of the Malaysia – Thailand Joint Authority (MTJA) and the Retirement Fund (Incorporated).

SSM's Commission Members (cont'd)

■ DATUK IDRIS BIN ABDULLAH

Datuk Idris bin Abdullah was appointed a Commission Member effective 16 April 2007. He holds a First Class LLB (Hons) Degree from the University of Malaya and began his career in 1981 as a resident lawyer at Ting and Company Advocates in Sibul, Sarawak. Between 1982 and 1985, he served as an in-house Legal Advisor to a group of companies with diverse interests in property development, timber extraction and processing, leisure and hospitality business as well as wholesale and general retail trading. He is also engaged by several companies based in Sarawak to act as advisor in various areas including building, construction and motor trading, as well as recreational clubs and education sectors.

Datuk Idris is currently a senior partner at Idris and Company Advocates. He also holds several key positions in Malaysia and Singapore, namely as Commission Member of the Malaysian Communications and Multimedia Commission (MCMC), Chairman/Director of Magnus Energy Group Ltd (listed on Singapore SESDAQ) and Chairman/Director of Industrial Power Technology Pte Ltd.

■ PUAN ZAITON BINTI MOHD HASSAN

Puan Zaiton binti Mohd Hassan has been serving as a Commission Member since December 2003. She qualified as a fellow of the Chartered Association of Certified Accountants (FCCA), UK in 1985. She was an auditor with PricewaterhouseCoopers before joining Bank Pembangunan (M) Berhad. She then served Maybank for 12 years before being appointed as the President of the Malaysian Rating Corporation Berhad (MARC) from 1996 to 2004. Puan Zaiton is currently the Managing Director of Capital Intelligence Advisors Sdn. Bhd. She is a board member of Credit Guarantee Corporation Malaysia Berhad, BIMB Holdings Berhad, Bank Islam Malaysia Berhad, SME Credit Bureau Sdn. Bhd., Malaysian Industrial Development Finance Berhad (MIDF) and most recently Sime Darby Berhad and Sime Darby Overseas (HK) Limited.

■ DATO' HJ. ISMAIL BIN HJ. MOHAMED SAID

Dato' Hj. Ismail was appointed a Commission Member effective 1 June 2009. He graduated with an LLB (Hons) Degree from Universiti Kebangsaan Malaysia in 1990. Dato' Ismail started his career as a Legal Assistant in Messrs. Bahari, Choy & Nongchik. He is currently a partner in the same legal firm. He is also the Chairman of Entrepreneur Development Council, Temerloh and a director of the Malaysia France Institute. Dato' Hj. Ismail is the Member of Parliament for Kuala Krau, as well as the Head of UMNO, Kuala Krau. He was recently appointed as Chairman of Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN).

SSM's Commission Members (cont'd)

■ DATUK HJ. SAPAWI BIN HJ. AHMAD

Datuk Hj. Sapawi was appointed a Commission Member effective 20 July 2009. He graduated with a Bachelor of Arts (Hons) majoring in history from Universiti Kebangsaan Malaysia (UKM). Prior to his involvement in politics, Datuk Hj. Sapawi had a career in education for nearly 20 years before he was appointed as the Director of Biro Tatanegara (Sabah). He is the Chairman of the Sabah Land Development Board and also the Chairman of the Sabah Language and Literature Council. Datuk Hj. Sapawi is the Member of Parliament for Sipitang, the Head of UMNO Sipitang, as well as the Head of UMNO Information Division for Sabah.

■ DATIN ROZAINA BINTI ZAINUDDIN

Datin Rozaina binti Zainuddin was appointed a Commission Member effective 25 August 2009. She holds a Masters Degree in Business Management (Techno-Entrepreneurship) from Universiti Teknologi Malaysia and is a Member of The Chartered Institute of Transport (UK). She started her career in the public service with the Road and Transport Department in 1981 and had since served at various government organizations including the Education Service Commission, the Ministry of Transport, the National Institute of Public Administration, Malaysia (INTAN), the Inland Revenue Board of Malaysia and the Public Service Department. Datin Rozaina is currently the Deputy Under Secretary of the Remuneration Policy, Public Money and Management Services Division of the Ministry of Finance.

■ DATO' AZMI BIN ARIFFIN

Dato' Azmi bin Ariffin was appointed as the third Chief Executive Officer of the Companies Commission of Malaysia (SSM) effective 16 April 2009. Prior to assuming the position of CEO, Dato' Azmi served as the Head of Commercial Crime Unit of the Attorney General's Chambers in Putrajaya. He graduated with an LLB (Hons) Degree from the University of Malaya and commenced his career with Legal and Judicial Service on 1 October 1987. He has served in various capacities, namely as Deputy Public Prosecutor with the Anti-Corruption Agency from 1987 to 1990, Senior Magistrate in Kuching Magistrates' Court from 1990 to 1991, Deputy Public Prosecutor with Johor State Legal Advisor's Office from 1991 to 1994, Research Officer with High Court of Johor Bahru from January to October 1994, Deputy Public Prosecutor with Kedah State Legal Advisor's Office from 1994 to 2000 and as Head of the Prosecution Unit with the Kelantan State Legal Advisor's Office, from 2000 to 2004. He has also served as the Deputy Head of Crime Division of the Attorney General's Chambers. Dato' Azmi is also a Board Member of Labuan Financial Services Authority (Labuan FSA) as well as the member of the Financial Reporting Foundation.

SSM'S EXECUTIVE MANAGEMENT



SSM'S EXECUTIVE MANAGEMENT



▣ **DATO' AZMI BIN ARIFFIN**
Chief Executive Officer

Dato' Azmi bin Ariffin was appointed as the third Chief Executive Officer of the Companies Commission of Malaysia (SSM) effective 16 April 2009. Prior to assuming the position of CEO, Dato' Azmi served as the Head of Commercial Crime Unit of the Attorney General's Chambers in Putrajaya. He graduated with an LLB (Hons) Degree from the University of Malaya and commenced his career with Legal and Judicial Service on 1 October 1987. He has served in various capacities, namely as Deputy Public Prosecutor with the Anti-Corruption Agency from 1987 to 1990, Senior Magistrate in Kuching Magistrates' Court from 1990 to 1991, Deputy Public Prosecutor with Johor State Legal Advisor's Office from 1991 to 1994, Research Officer with High Court of Johor Bahru from January to October 1994, Deputy Public Prosecutor with Kedah State Legal Advisor's Office from 1994 to 2000 and as Head of the Prosecution Unit with the Kelantan State Legal Advisor's Office, from 2000 to 2004. He has also served as the Deputy Head of Crime Division of the Attorney General's Chambers. Dato' Azmi is also a Board Member of Labuan Financial Services Authority (Labuan FSA) as well as the member of the Financial Reporting Foundation.



▣ **ZAHRAH ABD WAHAB FENNER**
Deputy Chief Executive Officer (Services)

Zahrah was appointed as the Deputy Chief Executive Officer (Services) [DCEO (Services)] on 1 June 2002. As DCEO (Services), Zahrah oversees the Corporate Resource Division, Information, Communication & Technology Division and the Public Affairs Section. Presently, she is also a member of the Approval and Implementation Committee of the Iskandar Region Development Authority (IRDA). Zahrah joined SSM in July 1995 and served as SSM's (previously the Registrar of Companies) Chief Accountant. Zahrah holds a Bachelor in Accounting (Hons) from Universiti Kebangsaan Malaysia and is a Chartered Accountant. She began her career as an Advisor Accountant with the Royal Customs and Excise Department between August 1984 and April 1992 where she advised on matters relating to valuation and standard international practices of the open market. Between May 1992 and July 1995, Zahrah was attached to the Ministry of Foreign Affairs as the Principal Accountant where she was responsible for handling the financial accounts and audits for Malaysian Embassies and High Commissions worldwide.

SSM's Executive Management (cont'd)



■ ROKIAH MOHD NOR
Deputy Chief Executive Officer
(Operations)

Rokiah was appointed as Deputy Chief Executive Officer (Operations) [DCEO (Operations)] with effect from 5 July 2008. She oversees the functions of the Registration and Services Division, Marketing and Business Development Division, the Corporate Development and Policy Division and Branch Operations Section which is responsible for the supervision and monitoring of 14 state offices, 4 branch offices and a service centre nationwide. Rokiah possesses a Bachelor's Degree in Science (Hons) from Universiti Sains Malaysia. She joined the civil service as Commercial Registration Officer in January 1980. Over the years she has held various positions in the Registration Division and after the incorporation of SSM she became the Head of General Documents Section.

■ DATO' MUHAMMAD REDZUAN ABDULLAH
Senior Director, Enforcement

With his appointment as the Senior Director of the Enforcement Office in January 2009, Dato' Muhammad Redzuan Abdullah began to oversee the complaints, compliance, prosecution, investigation civil litigation and legal advisory portfolios in SSM. Prior to this appointment, between January 2004 and December 2008, he served as the Director of Legal Services, Director of Compliance, Senior General Manager of Enforcement, and General Manager of Legal Department. Dato' Muhammad Redzuan Abdullah graduated from the International Islamic University Malaysia with an LLB (Hons) Degree and began his career as a Police Officer, serving the police force from April 1974 to March 1995. He joined the Malaysian Judicial and Legal Service on 15 March 1995 and served as Senior Assistant Registrar and Senior Magistrate.

SSM's Executive Management (cont'd)

■ MOHAMED ZANYUIN ISMAIL

Director, Registration Services Division

- **Portfolio:** Management of registration and incorporation documents lodged, winding up of companies and administration of interest schemes.
- **Career:** Appointed as Registration Officer/ Assistant Registrar of Companies under the Ministry of Trade and Industry in 1980; Deputy Registrar of the Registry of Business in 1995; Senior Manager for Business Registration Section in 1995 and Director of Registration Services in 2003.
- **Academic Qualification:** Bachelor of Social Science (Hons), Universiti Sains Malaysia.

■ AMIR AHMAD

Director, Corporate Resources Division

- **Portfolio:** Human capital, talent management, organizational administration, integrity and discipline, administration, facilities management and financial affairs.
- **Career:** Attached with PA Management Consulting (M) Sdn. Bhd.; Maybank Bhd.; UMW Corporation and Eden Enterprise Bhd.; appointed as the General Manager of Human Resources Department, SSM, in 2004 and then, as Director of Corporate Resources Division.
- **Academic Qualifications:** Bachelor of Science in Business Administration, Bowling Green State University; Master of Business Administration (MBA), Western Michigan University.



SSM's Executive Management (cont'd)

■ KHUZAIRI YAHAYA

Director, Information and Communication Technology

- **Portfolio:** Management of SSM'S Information and Communication Technology.
- **Career:** Started with Information and Communication Technology Division, Securities Commission for 14 years; appointed as the General Manager of Information and Communication Technology Department, SSM, in 2003; and then Director of Internal Audit in 2007.
- **Academic Qualification:** Bachelor of Management, Purdue University.

■ NOR AZIMAH ABDUL AZIZ

Director, Companies Commission of Malaysia Training Academy (COMTRAC) until Aug 2010; Director, Corporate Development and Policy Division effective from Sept 2010

- **Portfolio:** Law reform, policy, international and domestic networking, statistics, economic research, accounting development, periodical reporting, strategic planning, project management and monitoring, risk management, corporate responsibility.
- **Career:** Started as the Advocate and Solicitor in 1992; Law Lecturer at Accounting Department, Faculty of Business and Management, Universiti Kebangsaan Malaysia; seconded to the Malaysian Institute of Accountants in 2000; General Manager of the Corporate Policy, Planning and Development Department, SSM in 2003; In April 2007 appointed as Director of Companies Commission of Malaysia Training Academy (COMTRAC). Effective from September 2011, appointed as Director of Corporate Development and Policy Division of SSM.
- **Academic Qualifications:** Bachelor of Laws (Hons), Institut Teknologi MARA; Postgraduate Degree LLM (Business Law), University of Wales.



SSM's Executive Management (cont'd)

■ AZNORASHIQ MOHAMED ZIN Director, Investigation Division

- **Portfolio:** Investigation
- **Career:** Attached to the Investigation Department, Securities Commission for 9 years; experienced in investigation into corporate and securities fraud, and appointed as the Director of Investigation Division, SSM, in 2007.
- **Academic Qualifications:** Bachelor of Accounting (Hons), International Islamic University of Malaysia; Certified Fraud Examiner (CFE); Master of Business Administration (MBA) in Finance, International Islamic University of Malaysia, and Chartered Accountant, Malaysia Institute of Accountants (MIA).

■ AZRYAIN BORHAN

Director, Corporate Development and Policy Division until July 2010; Director, Companies Commission of Malaysia Training Academy (COMTRAC) effective from May 2011

- **Portfolio:** Training of company directors, officers, company secretaries as well as members of the public on aspects of corporate law and enhancing SSM's staff capacity and capability.
- **Career:** Practising Advocate & Solicitor in 1999; Senior Prosecuting Officer in the Prosecution Department and subsequently Senior Associate in the Securities Issues Division, Securities Commission between 2000 and 2004; Legal Manager, Borcos Shipping Sdn Bhd (subsequently seconded to Biotech Medical Corporation Sdn Bhd as Deputy General Manager (Legal) between 2004 and 2006), Assistant Vice President, Legal & Secretarial, Khazanah Nasional Berhad between 2006 and 2007; Director of Corporate Development and Policy Division, Companies Commission of Malaysia commencing April 2007; seconded to the Special Innovation Unit of the Office of the Prime Minister from August 2010 to April 2011.
- **Academic Qualification:** Bachelor of Laws (Hons), International Islamic University of Malaysia.



SSM's Executive Management (cont'd)

■ ROSLI HAJI AHMAD

Director, Compliance Division

- **Portfolio:** Management of SSM's compliance and corporate surveillance activities on company secretaries, auditors and board of directors.
- **Career:** Started as the Assistant Registrar of Companies in 1985; ROC Labuan Branch Manager; Head of ROC Pahang Branch; Head of ROC Melaka Branch; SSM's Set up Committee between 1999 and 2002; appointed as the State Director of SSM Melaka in 2004; State of Director of SSM Johor in 2006; and later, as the Director of Compliance Division in 2008.
- **Academic Qualification:** Bachelor of Economics (Hons), Universiti Kebangsaan Malaysia.

■ ISKANDAR SHAH IBRAHIM

Director, Legal Services Division

- **Portfolio:** Provides legal advice for SSM, manages all matters relating to prosecution of cases under the Companies Act 1965, the Registration of Businesses Act 1956 and the Kootu Funds (Prohibition) Act 1971, as well as civil cases by and against SSM.
- **Career:** Served as Deputy Public Prosecutor and Federal Counsel for the Johor State Legal Advisor's Office in 1994, the Head of Investigation And Enforcement Division, Department of Insolvency in 2001, Federal Counsel for the Department of Insolvency in 2003, Senior Federal Counsel of the Economic Planning Unit at the Prime Minister's Department in 2004, Senior Federal Counsel of the Public Private Partnership Unit at the Prime Minister's Department in 2009 and appointed as the Director of Legal Services Division, SSM, in 2010.
- **Academic Qualification:** Bachelor of Laws (Hons), Institut Teknologi MARA.



SSM's Executive Management (cont'd)

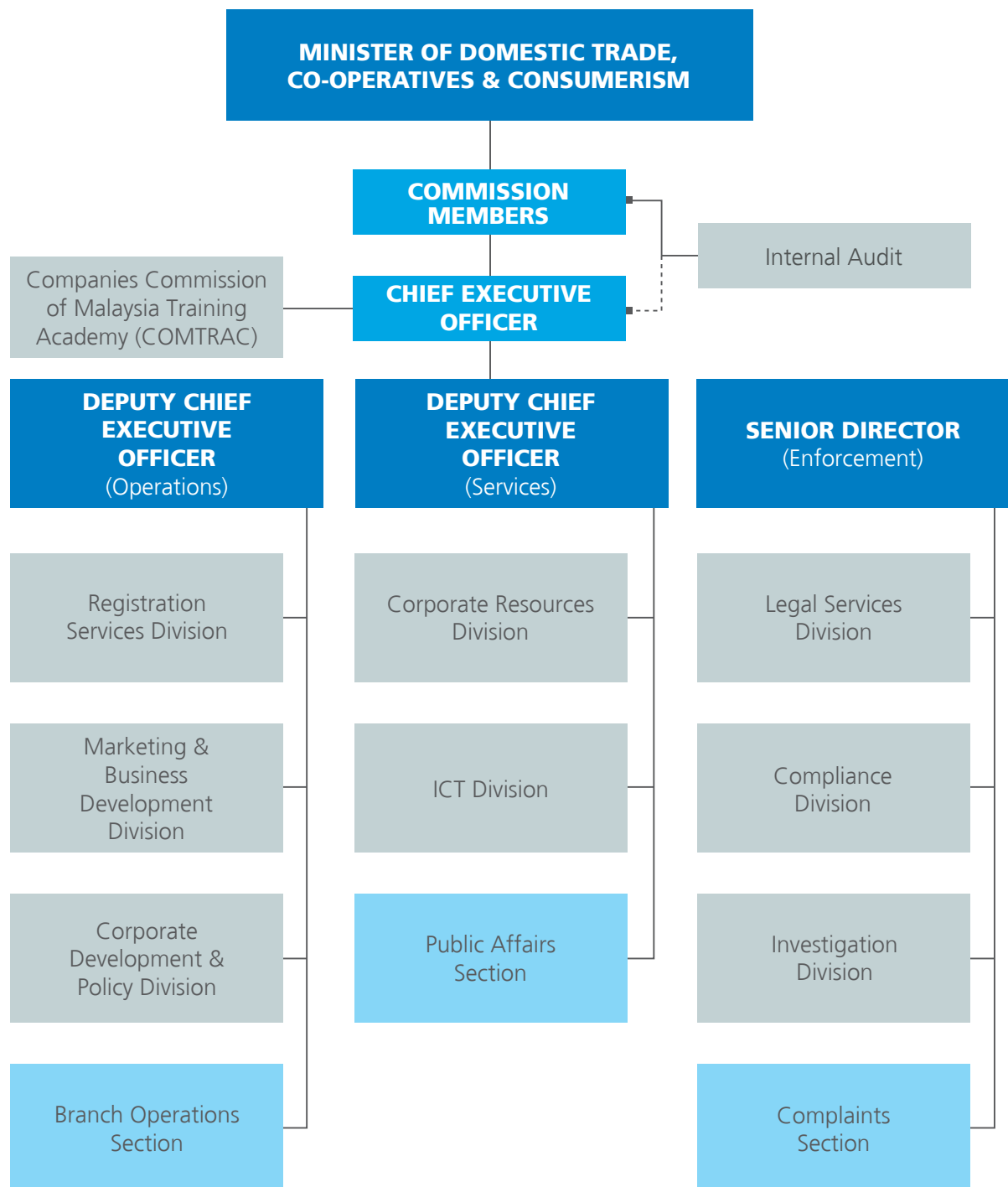
■ MUHAMAD FARIS OTHMAN

Director, Marketing and Business Development Division

- **Portfolio:** Developed and enhanced innovative products and public service delivery by harnessing cutting-edge technology, developed and established effective marketing, sales and customer service strategies for SSM's products and services, established strategic collaborations and partnerships with other government agencies and the private sector.
- **Career:** Practised as an Advocate and Solicitor of the High Court of Malaya from 1993; joined SSM as the Head of Legal Section in 2004 and appointed as the Director of Marketing and Business Development Division in 2010.
- **Academic Qualification:** Bachelor of Laws, LLB (Hons) from Universiti Kebangsaan Malaysia and Master of Laws, LLM from University of Malaya.



CORPORATE STRUCTURE





2010 ECONOMIC REVIEW AND SSM'S KEY STATISTICAL ANALYSIS



2010 ECONOMIC REVIEW AND SSM'S KEY STATISTICAL ANALYSIS

Malaysia's economy has rebounded strongly from the recession experienced in the early part of 2009. This is due to an improvement in the world economy. In 2010 all advanced economies had exited the recession, with the United States recording a GDP growth of 2.8% (2009: – 2.6%), Japan, 3.9% (2009: – 6.3%), the United Kingdom, 1.3% (2009: – 4.9%) and the Euro zone, 1.7% (2009: – 4.1%). The GDP of major emerging economies from Asia — led by China and India — increased significantly by 10.4% and 8.6% respectively.

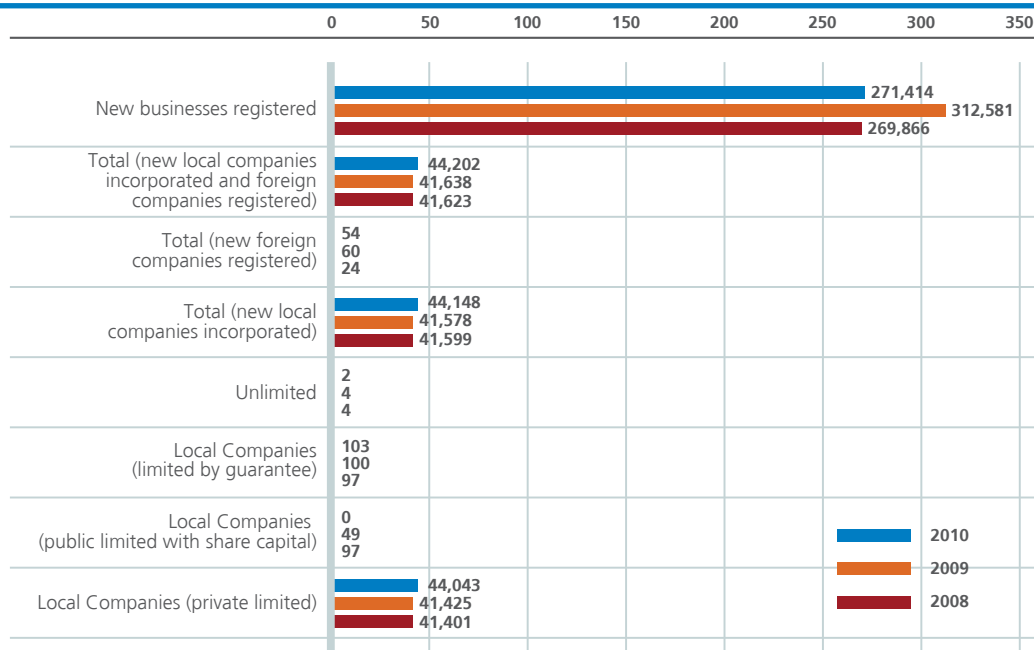
In tandem with the recovery of the global economy, Malaysia achieved a GDP growth of 7.2% against a 1.7% contraction in 2009. In the first half of the year, the nation's economy grew by 9.5% supported mainly by robust domestic demand and an improvement in external demand. During the period, domestic demand expanded by 7.1% driven

by higher private consumption and public sector spending.

However, the global economy moderated in the second half of the year due to the sovereign debt crisis in the Euro zone and a slowdown in global trade. Despite the moderation, the economy grew by 5% in the period as domestic demand remained resilient with a 5.3% growth, supported by a sustained expansion in both private consumption and capital spending.

Despite the continuing sovereign debt crisis in the Euro zone and the subsequent austerity measures undertaken by several advanced economies in the region, the Malaysian economy is expected to grow by between 5% and 6% next year as domestic demand is expected to maintain a strong growth momentum, calming the volatility of the external environment.

Incorporation/Registration of New Companies & Businesses



2010 Economic Review and SSM's Key Statistical Analysis (cont'd)

REGISTRATION OF COMPANIES IN 2010

The number of new local companies registered increased by 6.2% in 2010 compared to the previous year. The rise is in tandem with the upturn in the nation's economy and is also attributed to the introduction of the SSM stimulus packages which provided a discount on fees for the incorporation of new companies. Such moves have encouraged the setting up of many small and medium enterprises, particularly those with an authorized capital of less than RM1 million.

With regard to the registration of new foreign companies, total annual registrations have exceeded 50 in the last two years, with 54 new registrations in 2010 and 60 in the previous year. The figures suggest that the various reform initiatives introduced by the Government have successfully created a conducive and sustainable investment climate capable of attracting foreign companies to set up

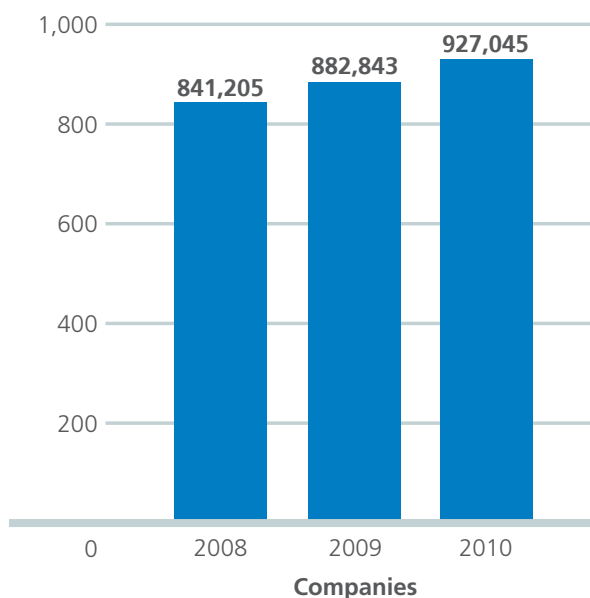
their branches in Malaysia. More registrations are expected in the coming years.

REGISTRATION OF BUSINESSES IN 2010

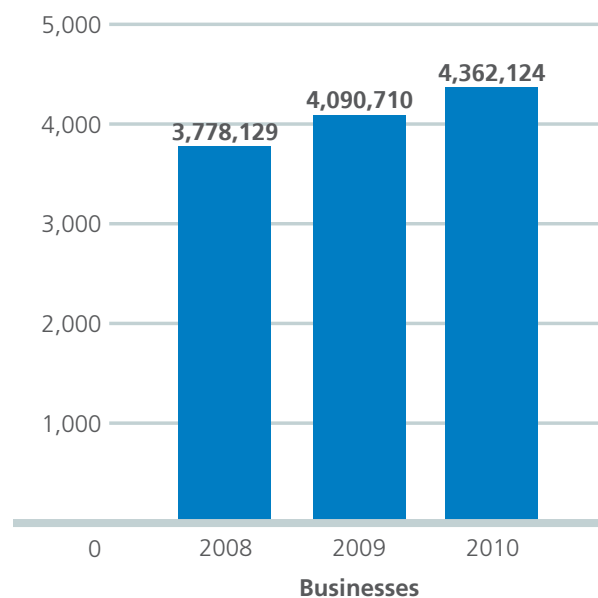
A total of 271,414 new business registrations were recorded in 2010. This figure is the second highest in five years (2006–2010) although it was 13.2% lower compared to the previous year's figure of 312,581 new registrations. The record-breaking figure in 2009 was mainly attributed to the reduction in registration fees given by SSM and the countless Outreach programmes carried out to promote and facilitate new registrations via SSM's Business Registration Mobile Counters.

The total number of companies registered under the Companies Act 1965 and the number of businesses registered under the Registration of Businesses Act 1956 as at 31 December 2010 are shown below:

Number of Companies Registered as at 31 December



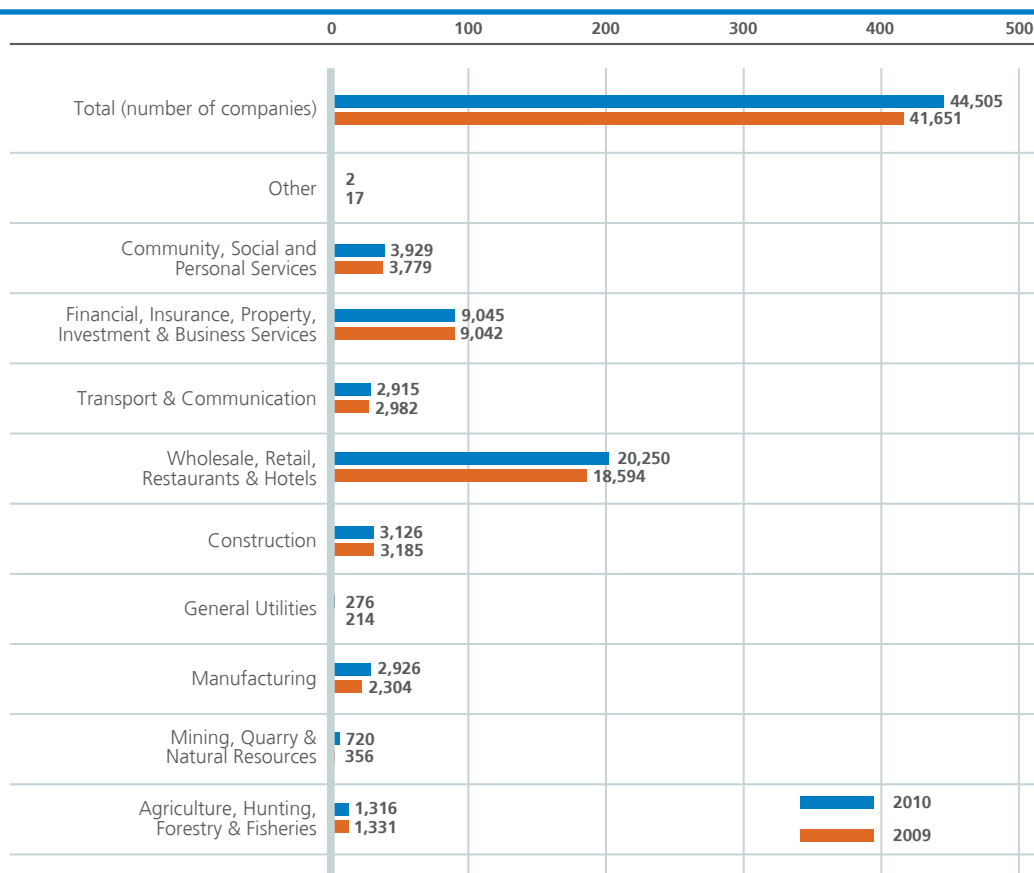
Number of Businesses Registered as at 31 December



2010 Economic Review and SSM's Key Statistical Analysis (cont'd)

SECTORAL ANALYSIS

Companies Registered According to Category of Business



SERVICES SECTOR

The services sector, which remains as the main contributor to the nation's overall GDP growth, recorded the highest number of companies incorporated in 2010 preceded by the wholesale, retail, restaurant & hotel sub-sector (46%), and the financial, insurance, property, investments and business services sub-sector (20%).

The number of new registrations in the services sector increased by 6% compared to the previous year. The increase is attributed to the strong demand for services due to increased household expenditure, supported by an improvement in labour market conditions and better consumer sentiments.

The expansion of many new retail stores and hypermarkets, as well as a high number of tourist

2010 Economic Review and SSM's Key Statistical Analysis (cont'd)

arrivals during the year propelled the country towards the robust growth in the wholesale, retail, restaurant & hotel sub-sector. A total of 24.6 million tourist arrivals were recorded in 2010, the highest figure thus far due to an improvement in global economic conditions and vigorous efforts by the Government in promoting the tourism industry, especially in areas such as eco-tourism, edu-tourism, health tourism and agro tourism.

the implementation of several infrastructure projects under the Government's second fiscal stimulus package and the Ninth Malaysia Plan. Among the projects that came through were the construction of highways, upgrading of roads, the repairing of schools and Government quarters, continuing work on the second Penang Bridge, and the new Low Cost Carrier Terminal, as well as the gas pipeline in Sabah and Sarawak.

MANUFACTURING SECTOR

The number of companies incorporated in the manufacturing sector rose 27% year-on-year in tandem with the significant expansion of the sector during the year. Domestic-orientated industries contributed significantly toward the increase in percentage as can be seen by the registration of more companies involving the production of resource-based and construction-related industries. A higher demand for electronics and electrical products due to increased global demand as well as growth in the transport equipment industry has also resulted in the significant increase in the registration of companies under this sector.

CONSTRUCTION SECTOR

The number of companies incorporated in the construction sector was 1.8% lower compared to the previous year. Most of the companies incorporated were involved in the construction of residential and non-residential properties, especially the construction of condominiums, offices and shopping malls in the Klang Valley. This is due to a strong demand for such properties fuelled by an improved consumer and business sentiment as well as low interest rates.

In addition, many companies were being called to undertake construction-related projects as a result of

AGRICULTURE SECTOR

The number of new registrations for companies in the agricultural sector has remained relatively unchanged compared to the previous year. A total of 1,316 new companies were incorporated in this sector as compared to 1,331 in 2009. The sector has benefited significantly from higher global agricultural commodity prices in 2010 due to stronger demands — particularly from the emerging markets — and a lower production capacity caused by adverse weather conditions. The demand was supported by high prices in rubber and palm oil, which increased significantly at the end of 2010 by 56% and 46% respectively. Apart from rubber and palm oil, many companies incorporated were involved in the production of food crops such as livestock, fish and fruits due to increased demand and higher prices.

MINING SECTOR

The number of companies incorporated for mining activities surged by 102% over last year in line with the significant growth recorded in the mining sector this year, driven by an increase in the production of natural gas despite a decrease in the production of crude oil. The increased economic activity in the mining sector was concentrated in the natural gas subsectors, and is expected to further expand next year in view of the opening of two new gas fields in Terengganu and Sarawak.

2010 Economic Review and SSM's Key Statistical Analysis (cont'd)

WINDING UP AND STRIKING-OFF OF COMPANIES

As a result of an improvement in the domestic and global economy, the number of companies that went into liquidation in 2010 fell by 26% compared to the previous year. The majority of the companies liquidated in 2010 were due to voluntary liquidation by members (98%), while the remainder was due to liquidation by the court.

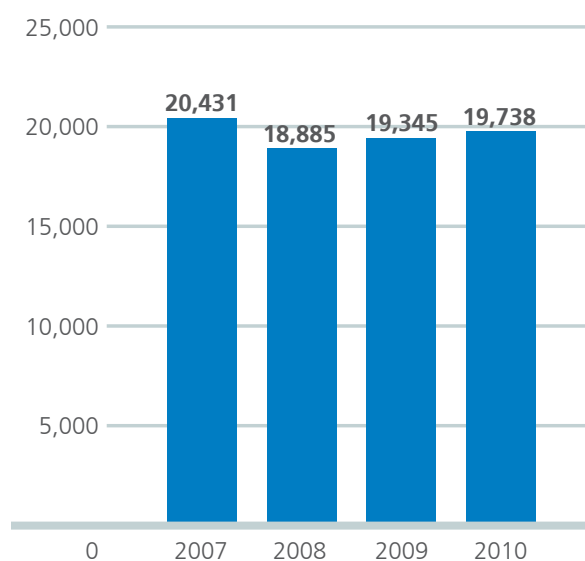
The number of companies that were struck off by SSM under section 308 of the Companies Act 1965 also declined by 35% following a large number of companies being struck off in the previous year, especially during the moratorium period between 1 April and 31 December 2009.

Year	2010	2009	2008	2007
Companies wound up	1,487	2,013	1,450	1,276
Companies struck off (S. 308)	24,098	37,062	26,542	13,668

TERMINATION OF BUSINESSES

The number of businesses terminated in 2010 increased marginally compared to the previous year. During the year, a total of 19,738 businesses were terminated, up by 2% from 19,345 in 2009. The small increase in percentage against the significant number of new registrations suggests that most petty traders and small businesses were able to sustain their operations owing to strong domestic demand supported by favourable labour market conditions and an improvement in consumer confidence during the year.

Termination of Businesses



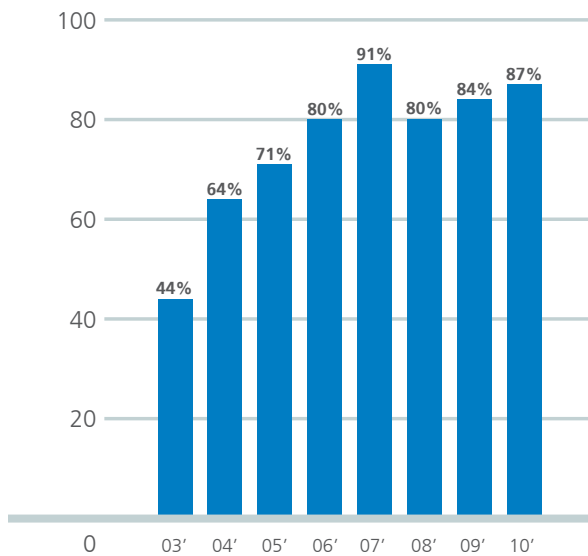
COMPLIANCE RATE

In 2010 SSM achieved a compliance rate of 87% in terms of submission of annual returns compared to 84% in the previous year. The higher compliance rate shows the achievement of SSM in implementing Practice Note 1 of 2008 which requires the submission of annual returns by non-exempt private companies to be accompanied with copies of audited accounts in strict compliance with section 165(1) of the Companies Act 1965. In addition, the improvement reflects the success of SSM in raising awareness among company directors of private companies on their role in promoting good corporate practices in terms of accountability and transparency.

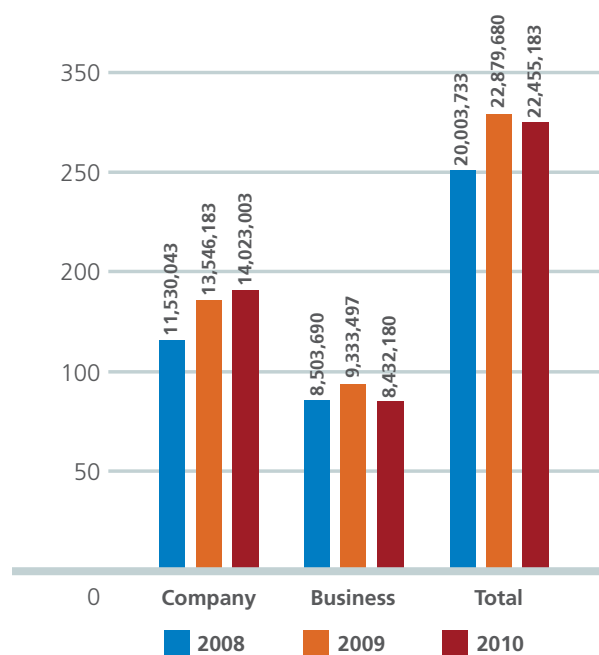
The successful implementation of SSM Practice Note 1 has not only resulted in a meaningful and credible measurement of the compliance rate, but has also enabled SSM to provide useful and up-to-date corporate financial data to the public, which is crucial for making informed business and investment decisions.

2010 Economic Review and SSM's Key Statistical Analysis (cont'd)

Compliance Rate



Supply of Information Revenue (RM)



SUPPLY OF INFORMATION

The total revenue from the supply of corporate and business information fell marginally by 1.8% in 2010 compared to a significant increase of 14.4% in 2009.

The increasing number of applications received by SSM from one year to another shows that it is trusted by the public as a reliable and timely source of corporate and business information. SSM continuously enhances the quality of information provided — particularly in terms of timeliness and accuracy — in view of its balanced enforcement initiative to improve compliance rates and ensure timely lodgement of statutory returns by companies.

INTEREST SCHEMES

There were four new interest schemes registered, bringing it to a total of 166 as at 31 December 2010.

Of the total, 76% consisted of golf and recreational club schemes followed by time-sharing schemes (15%). Although the number of new registrations is small, it is a significant improvement compared to previous years, and reflects the success of SSM's awareness campaigns in promoting the interest scheme industry.

In an effort to further encourage participation in the interest scheme industry, SSM has issued two additional guidelines during the financial year, namely:

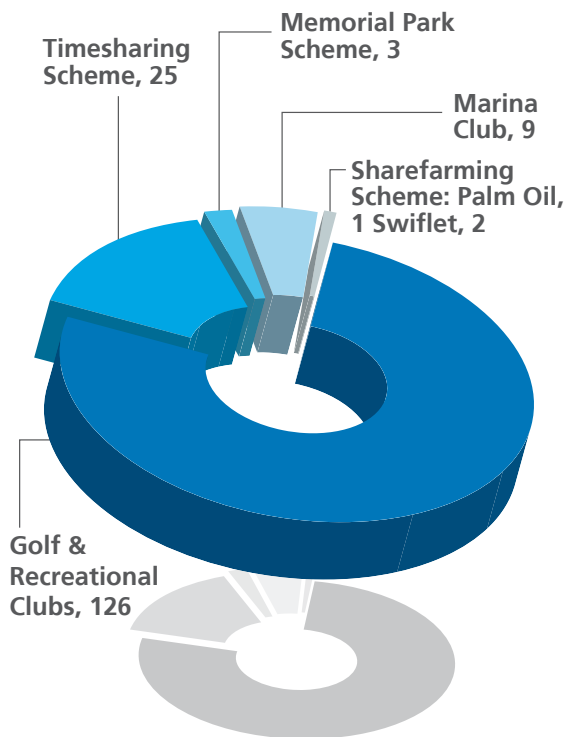
- (1) Policy guidelines and requirements for the sale of share farming growers' plot, and
- (2) Guidelines on the issuance of advertisements for registered schemes.

2010 Economic Review and SSM's Key Statistical Analysis (cont'd)

The new guidelines will complement the two existing guidelines on the sale of club memberships and time-share members.

More registrations of new interest schemes are expected in the next few years as SSM will continue to promote interest schemes via seminars, road shows and media engagements nationwide as well as through participation in events organized by other ministries and agencies.

Type of Scheme



Type of Interest Scheme		2010	2009	2008
Golf & Recreational Clubs	GR	71	71	70
	GR(S)	19	19	19
Recreational Clubs	R	33	32	31
	R(S)	3	3	3
Marina		9	9	9
Memorial Park		3	3	3
Timesharing Scheme		25	24	24
Share farming Scheme		3	1	1
TOTAL		166	162	160

REPORT ON PUBLIC SERVICE DELIVERY SYSTEM



REPORT ON PUBLIC SERVICE DELIVERY SYSTEM

In 2010, SSM undertook several initiatives to facilitate smooth business processes and promote a conducive business environment by (i) reducing the cost of doing business, and (ii) streamlining existing processes. These were some of the initiatives:

- Introduction of the Second Stimulus Package
- Business process re-engineering for ease of doing business in Malaysia
- Introduction of the 1-Day Company Incorporation service
- Introduction of Malaysia Corporate Identity (MyCoID).

INTRODUCTION OF THE SECOND STIMULUS PACKAGE

SSM introduced its Second Stimulus Package in 2010 to further accelerate the growth of incorporation of new companies during the economic slowdown, having witnessed the positive impact of the First Stimulus Package initiated in 2009. The Second Stimulus package is part of SSM's initiative to further provide continuous support to the Government in its efforts to sustain the nation's economic recovery.

SSM's Second Stimulus Package provided a 15% discount on the incorporation fee of new companies with an authorized capital not exceeding RM1 million. The reduction commenced from 1 April 2010 and continued until 31 December 2010.

A comparison between the discounted and existing fees as stipulated in the Second Schedule of the Companies Act 1965 is as follows:

Authorized capital of a company	Pre-discounted fees payable (RM)	Fees payable after discount (RM)
For registration of a company:		
(i) whose nominal share capital does not exceed RM100,000	1,000	850
(ii) whose nominal share capital exceeds RM100,000 but does not exceed RM500,000	3,000	2,550
(iii) whose nominal share capital exceeds RM500,000 but does not exceed RM1 million	5,000	4,250

Report on Public Service Delivery System (cont'd)

The objective of giving a 15% discount on the incorporation fee is to encourage the formation of small and medium enterprises (SMEs). SSM has identified that approximately 95% of new companies incorporated in the past three years fell under the category of companies with an authorized capital of less than RM1 million. This statistic shows a strong correlation to the total percentage of SMEs in the country which constitute 99.2% of the total number of companies in Malaysia. SSM's focus on SMEs augurs well for the nation in view of the country's aspirations to increase the formation of new companies.

The discounted fee has benefitted 43,613 new companies with an authorized capital of less than RM1 million that were incorporated in 2010.

RE-ENGINEERING BUSINESS PROCESSES FOR EASE OF DOING BUSINESS IN MALAYSIA

Since October 2009, SSM has been carrying out a business process re-engineering effort in relation to its counter services. Among the items implemented were:

- (i) identifying and clustering existing work procedures in relation to the incorporation of companies
- (ii) reconciling and internalizing the business processes involved.

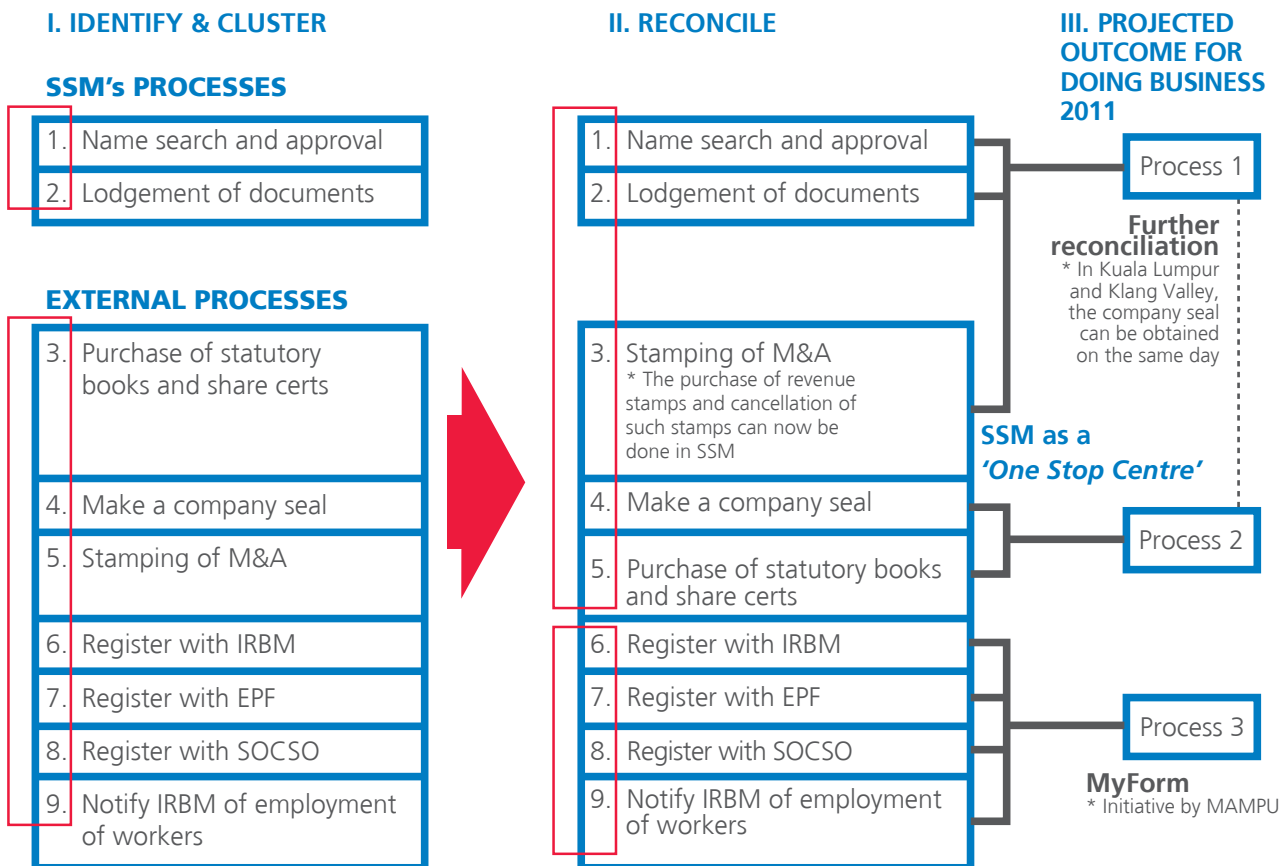
The internal processes involved approval of company names, lodgement of incorporation documents and the stamping of the Memorandum and Articles of Association (M&A), which were all processed via a single-counter interaction with self-contained back-end processing activities behind the counter.

With regard to the stamping of the M&A, the process of procuring, affixing and cancelling revenue stamps have been internalized in SSM pursuant to the conferment of the power to cancel the revenue stamps beginning 1 January 2010. The Minister of Finance granted SSM permission to make available such stamps at its office premises beginning 1 April 2010. Previously, revenue stamps were made available at the post office or the Inland Revenue Board of Malaysia (IRBM) while cancellations were done at the IRBM office. With the current reform, stakeholders are not required to have their M&As stamped at IRBM prior to submitting their application to SSM for incorporation purposes.

Upon submission of the relevant incorporation documents, the stakeholders may also procure the statutory books, share certificates and place an order for company seals. All three items are sold as a package for RM100, an amount much lower than the cost assessed by the World Bank's Doing Business 2010 which has been recorded as RM 350. The statutory books and share certificates can be purchased directly at SSM's counters while the company seals will be couriered to the stakeholders' given address on the same day. Stakeholders nationwide — with the exception of Kuala Lumpur and the Klang Valley — will receive the company seals by the next day. For Kuala Lumpur and the Klang Valley, the company seals may be collected from the counter together with the incorporation certificates on the same day. The single-counter interaction concept allows both the submission of documents and the procurement of post-incorporation items to be carried out simultaneously.

The detailed business process re-engineering is illustrated on next page:

Report on Public Service Delivery System (cont'd)



SSM's business process re-engineering also includes the introduction of incorporation advisory counters. Prior to submitting the relevant documents for incorporation purposes, stakeholders may check and obtain advice on the documents to be lodged at the advisory counters to ensure smooth processing of their applications. Any deficiencies in the forms submitted will be highlighted thereby eliminating the possibility of applications being rejected or the need to extend the approval process by more than a day.

Upon fulfillment of all the requirements, the certificate of incorporation may be collected at SSM's office by 5 pm on the same day. The business process re-engineering carried out by SSM has led to the introduction of the 1-Day Company Incorporation service.

INTRODUCTION OF THE 1-DAY COMPANY INCORPORATION SERVICE

This initiative was first introduced on 1 April 2010. The 1-Day Company Incorporation service is a single-counter service for lodging documents for the incorporation of companies. SSM has set out specific parameters to enable the incorporation of new companies by way of conventional counter transactions to occur within one day. It also provides advisory services for matters related to the formation of a company.

The parameters are:

- (i) submission of incorporation documents must be done by noon

Report on Public Service Delivery System (cont'd)


- (ii) all documents submitted must be in order
- (iii) all payments due are made (either in cash, postal order, money order or bank draft), and
- (iv) the incorporation certificate and Post Incorporation Package (statutory books, company share certificates and company seal) must be collected from SSM headquarters before 5 pm on the same day for applications from the Klang Valley and Kuala Lumpur. The Post Incorporation Package may be collected on the next working day for State Offices.

Since its introduction on 1 April 2010 until the end of the year, 7,365 new companies were incorporated through the 1-Day Company Incorporation service. Complementing the 1-Day Company Incorporation service was the sale of 3,292 stamps of RM100 each and 1,296 stamps of RM10 each.


Introduction of MyCoID

Prior to February 2010, companies in Malaysia were obliged to use different reference numbers issued by the various government agencies. The idea of using a single reference number for companies was mooted by the Government's Special Task Force to Facilitate Business (PEMUDAH). A special committee, headed by the Ministry of Finance, was formed and comprised SSM, PEMUDAH, Royal Customs of Malaysia, Employees Provident Fund (EPF), Social Security Organisation (SOCSO), Inland Revenue Board of Malaysia (IRBM) and the Human Resources Development Fund (HRDF). The Committee reviewed the technical, legal and policy issues, and the systems and processes required to realize this concept.

The Committee reached a consensus that the company number, as stated in the Certificate of Incorporation issued by SSM, should be used as the single reference number and be known as the Malaysia Corporate Identity or 'MyCoID'. MyCoID was formally launched on 11 February 2010 by the Honourable Prime Minister of Malaysia. With the MyCoID initiative, the words 'MyCoID Company Number' will appear in the company's incorporation certificate followed by the registration number issued by SSM, replacing the words 'Company Number'. The application of the MyCoID has been implemented by the following agencies — IRBM, EPF, SOCSO, HRDF and the Small and Medium Enterprise Corporation (SME Corp).



BEGINNING
1 APRIL 2010



DAY

COMPANY INCORPORATION

- Single-counter interaction
- Stamping of the Memorandum & Articles of Association in SSM
- Purchase of statutory books, share certificates and company seal* can be done at SSM's counter/via SSM's website
- The establishment of incorporation advisory counters to assist in incorporation processes
 - For Kuala Lumpur and Klang Valley, the company seal can be obtained on the same day.
 - For other states, the company seal will be couriered and will arrive the following day.

REQUIREMENTS FOR THE 1-DAY COMPANY INCORPORATION SERVICE

- (i) Submission of incorporation documents by 12 pm.
- (ii) Documents submitted are in order and payment duly made (either in cash, postal order, money order or bank draft).
- (iii) Separate payment for:
 - (a) Incorporation
 - (b) Procurement of Common Seal & Statutory Books.
- (iv) Collection of certificate of incorporation by 5 pm on the same day.

For further information call 03-2299 5500 or log on to our website at www.ssm.com.my

Report on Public Service Delivery System (cont'd)

The Implementation of the Malaysia Standard Industrial Classification 2008

On 1 September 2010, SSM adopted the Malaysia Standard Industrial Classification 2008 Version 1.0 (MSIC 2008) as a means of standardizing the coding of types of businesses for the incorporation of companies and registration of businesses and information relating to changes in company objectives and type of business. This initiative will further facilitate the implementation of MyCoID and standardize business codes for reference, registration and transaction purposes by the private sector and government agencies.

The MSIC 2008 is a new 'business coding' introduced by the Malaysia Department of Statistics. The MSIC 2008 is intended to be a standard classification system for types of economic activities carried out by companies and businesses. The MSIC 2008, which comprises 21 business sectors, will provide companies and businesses with their respective codes of business in accordance with the exact business activity carried out by the company or business. The MSIC 2008 provides a wider, more comprehensive classification as compared to the previous classification that has only nine sectors.

The MSIC 2008 will be applicable to all government agencies as well as the private sector to ensure uniformity of data and information classification for businesses in Malaysia.

Business Registration Counters At The Mall, Putra Place

Although SSM has moved to its own building in order to provide efficient service and convenience to the public, it has retained its Business Registration Counters on the 16th floor of The Mall, Putra Place, 100, Jalan Putra, Kuala Lumpur.

Incorporation of New Companies and Registration of New Businesses on Special Dates in 2010

SSM had promoted 101010 and 201010 as special dates for the incorporation of new companies and the registration of new businesses. A total of 439 new companies and 4,931 new businesses were registered on 10 October 2010 and 20 October 2010 respectively.

Client Charter Review

Consequent to the implementation of 1-Day Company Incorporation service, SSM immediately reviewed the existing Client Charter. The new Client Charter is as follows:

Business Registration

1. Registration of a business	1 hour
2. Changes in particulars of a business	1 hour
3. Renewal a of business registration	15 minutes
4. Termination of a business	15 minutes

Company

1. Incorporation of a company	1 day
2. Conversion of a company status	1 day
3. Change of a company name	1 day
4. Commencement of business for public companies	1 day
5. Registration of charges	2 days
6. Approval of a trust deed	5 days
7. Registration of a prospectus	3 days
8. Certified copy of company documents	1 hour
9. Uncertified copy of company documents	30 minutes

Note: Time taken begins from the moment payment is received until the time the certificate is issued.

Report on Public Service Delivery System (cont'd)

SSM's Client Charter is measured in two categories:	Certificate of commencement of business	1 Day	98.49
(i) Business Client Charter that consists of New Business Registration, Renewal of Business Registration, Changes in particulars of business and Termination of Business	Change of a company name (Form 11)	1 Day	99.98
	Charges (Form 34)	2 Days	99.36
(ii) Company Client Charter that consists of Company Name Search, Incorporation Charges, Change of Name and Status, Trust Deed and Prospectus.	Approval of a Trust deed	5 Days	100
	Registration of a Prospectus	3 Days	100

The table below illustrates SSM's Client Charter achievements for 2010.

Client Charter Achievement for 2010

Businesses	Client Charter	Monthly (%)
New business registration (Form A)	1 Hour	99.69
Renewal of a business registration (Form A1)	15 Mins	99.98
Changes in particulars of a business (Form B)	1 Hour	99.69
Termination of a business (Form C)	15 Mins	99.67
Companies	Client Charter	Monthly (%)
Incorporation of a new company (Form 6)	1 Day	99.99
Approval of a name (Form 13A)	1 Day	99.99

Note: Length of time stated in the Client Charter is calculated from the time the document is prelodged and payment is received at the counter to the time the result/certificate is issued.

The SSM e-Lodgement Service

Since the introduction of the SSM e-Lodgement service at the end of 2007, its take-up rate has been encouraging. SSM's persistence in encouraging the utilization of online services has been a success, as seen by a consistent increase in the usage of the e-Lodgement services among company secretaries and the public. This has been largely due to its convenience, efficiency and reliability. SSM has also been aggressively promoting the e-Lodgement service by conducting massive nationwide promotional and awareness programmes on the use of e-Lodgement to stakeholders through seminars, briefings and trainings, especially for company secretaries, members of professional bodies, chambers of commerce, business associations and government agencies.

Report on Public Service Delivery System (cont'd)

Company e-Lodgement Transactions	2010	2009	2008
Request for availability of name	19,277	11,144	5,151
Application for incorporation of local companies	1,440	1,384	917
Submission of form 24, 44 and 49 after incorporation	766	656	453
Annual Return & Certificate of Exempt Private Company	204	170	88
Annual Return & Accounts	1,654	1,340	583
Form 44	1,138	555	473
Form 53	19	28	87
Form 24	266	247	144
Form 11	254	214	130
Form 49	1,727	1,339	1,207
Form 48B	2	2	1
Form 48C	54	30	65
TOTAL TRANSACTIONS	26,801	17,409	9,299

The number of e-Lodgement transactions for company has increased by 53.9% in 2010 (26,801) compared to the previous year (17,409). Of the total transactions recorded, applications for the availability of names and submission of Form 44 and Form 49 increased most significantly compared to other services.

Overall, there was a marginal drop of 9.6% in the usage of the Business e-Lodgement service compared to 2009. The number of new business registrations via e-Lodgement totalled 31,100 in 2010, a slight drop of 8.6% compared to 34,025 registrations in 2009.

Business e-Lodgement Transactions	2010	2009	2008
Name search	59,147	59,489	54,263
New registration	31,100	34,025	30,437
Business renewal	7,268	7,106	3,501
Registration of changes in registered particulars	6,442	14,800	19,330
Termination	2,240	2,016	1,717
TOTAL TRANSACTIONS	106,197	117,436	109,248

Report on Public Service Delivery System (cont'd)

Corporate Applications

In 2010, SSM received the following corporate applications:

- Application for extension of time to hold Annual General Meeting and table the Financial Statements
- Appointment of proxy to attend Annual General Meeting
- Application for relief from fulfilling certain requirements in the audited accounts
- Exemption from submission of foreign branch accounts in Malaysia
- Submission of initial public offering and abridged prospectus, and
- Submission of Quarterly Report by directors of a borrowing corporation.

Year 2010 saw a marked increase in corporate applications, particularly applications for extension of time. This was largely due to the introduction of Practice Note 1 of 2008 (PN1/2008) which strictly enforces submission of annual returns by companies together with their audited accounts in accordance with section 165 of the Companies Act 1965, with the exception of exempt private companies. The increase in corporate applications could also be attributed to the SSM's decentralization initiative, allowing all states and branches to receive and process applications for the extension of time beginning February 2010. The total number of applications from 2008–2010 is as follows:

TYPES OF APPLICATIONS	TOTAL APPLICATIONS		
	2008	2009	2010
1. Extension of time	372	709	1,039
2. Appointment of a proxy	5	25	16
3. Relief from fulfilling certain requirements in the audited accounts	244	220	140
4. Exemption from submission of foreign branch accounts in Malaysia	31	32	58
5. Lodgement of initial public offering and abridged prospectus	110	77	251
6. Submission of Quarterly Report by directors of a borrowing corporation	411	393	249
TOTAL	1,173	1,456	1,753

Report on Public Service Delivery System (cont'd)

Issuance Of Striking-Off Notices

In 2010, SSM continued to strike off inactive and dormant companies under section 308 of the Companies Act 1965 (CA 1965).

During the year, 143,454 notices were issued under section 308(2) of the CA 1965 as compared to 16,014 notices in 2009. The substantial increase in the issuance of notices under section 308(2) was due to the continuation of a special project initiated in 2008. However, a total of 24,098 companies were struck off in 2010 compared to 37,062 companies struck off in 2009 during the moratorium period between 1 April and 31 December 2009.

The table below shows the total number of notices issued under sections 308(1) and 308(2).

Notices Issued	2010	2009
Section 308(1)	21,988	17,568
Section 308(2)	143,454	16,014

Counter Services

SSM counters offer services such as lodgement of documents and supply of information and documents. Documents lodged through SSM's counters are recorded electronically through data entry and scanned to enable the provision of company and business information through electronic means. The counters provide services for the lodgement of both payable and non-payable documents relating to the Companies Act 1965.

The supply of information/documents via counter services under the Companies Act 1965 and the Registration of Businesses Act 1956 recorded a significant increase of 22.5% in 2010 compared to last year. This trend suggests a soaring demand for company and business information.

The e-Info Services

The e-Info system is one of SSM's delivery channels for the supply of company and business information. As an electronic web-based channel, it is globally accessible, serving both local and international business communities.

Year 2010 saw an increase of 10.4% in total e-Info transactions compared to year 2009. The take-up rate for direct online purchases increased by 38.4% in year 2010 and made up 79.76% of total transactions compared to 20.24% for e-Info kiosk transactions.

The e-Info system recorded a 34.4% increase in visits to the e-Info web page by the international business community in 2010 compared to 2009. This suggests a heightened awareness of SSM's products via the electronic medium among the international business community. The following table provides figures on the e-Info transactions:

Statistics of visits to e-Info website

COUNTRIES	2010	2009	2008
Singapore	25,812	21,590	16,916
Hong Kong	5,965	3,602	3,119
United Kingdom	4,441	4,752	4,438
United States	4,969	3,775	-
Australia	4,240	2,250	1,608
India	3,761	2,256	3,952
Japan	2,033	1,950	1,981
China	2,507	1,176	552
Philippines	625	1,620	1,813
Others	4,377	732	791
TOTAL	58,730	43,703	38,563

Report on Public Service Delivery System (cont'd)

Annual e-Info transactions, take-up rate and total revenue generated

Year	Online	Take-up Rate %	Kiosk	Take-up Rate %	Total Transactions	Total Revenue (RM)
2010	992,977	79.76	250,295	20.24	1,243,272	16,632,475
2009	717,639	69.69	311,472	30.31	1,126,167	15,306,433

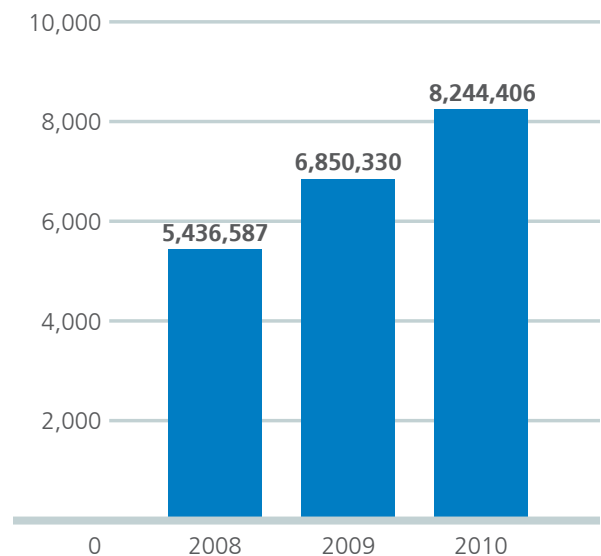
BUSINESS REGISTRATION MOBILE COUNTERS (BRMC)

Business Registration Mobile Counters (BRMC) is another effective delivery channel in SSM's service delivery system. Conceptualized on the basis of 'ease of doing business in Malaysia', this initiative has effectively served the Malaysian business community in their transactions with SSM. BRMC not only offers convenient services but also provides frontier services to locations beyond urban areas, extending the coverage of SSM's services in relation to the Registration of Businesses Act 1956. BRMC normally holds its programmes at various events or pre-scheduled locations and utilizes its mobile van for frontier service activities.

Year 2010 recorded a commendable 20.4% increase in revenue compared to that of 2009 as illustrated in the following table.

Year	Revenue (RM)
2010	8,244,406
2009	6,850,330
2008	5,436,587

Revenue (RM)



BRMC programmes have also evolved since their inception. BRMC are also now a regular feature at several identified strategic locations. This service is called Business Registration Circuit Counters (BRCC) and offers consistent scheduled business registration counter services. Year 2010 saw the effective expansion of the BRCC. Statistics on BRMC and BRCC activities for 2010 are as shown in the following tables:

Report on Public Service Delivery System (cont'd)

State	BRMC Frequency	Number of New Registrations	Number of Renewals	Revenue (RM)
KUALA LUMPUR	763	6,647	14,689	2,057,330
JOHOR	176	3,030	10,016	1,385,704
KEDAH	402	5,217	12,645	1,481,824
PAHANG	141	1,362	3,220	456,712
PENANG	135	2,581	7,285	849,724
PERAK	121	2,282	7,270	747,704
SELANGOR	131	1,685	2,062	352,336
MELAKA	114	511	437	75,869
N.SEMBILAN	134	845	2,785	302,828
TERENGGANU	106	964	2,749	242,948
KELANTAN	116	1,339	2,580	270,032
PERLIS	40	287	72	18,755
LABUAN	10	1	49	2,642
TOTAL	2,389	26,751	65,859	8,244,406

Locations	BRCC Frequency	Number of New Registrations	Number of Renewals	Changes of Particulars	Revenue (RM)
Ampang Jaya Municipal Council (MPAJ)	11	59	95	22	14,430
Sepang Municipal Council (MP Sepang)	8	22	24	4	3,981
Kajang Municipal Council (MPKJ)	12	76	110	44	21,198
Pusat Internet Desa (PID) Tanjung Malim	12	96	234	38	32,194
Selangor State Development Corporation (PKNS) Bangi	12	69	65	29	16,031
MDTCC Consumers Service Counter, Putrajaya	51	286	223	132	53,395
TOTAL	106	613	764	269	142,927

Report on Public Service Delivery System (cont'd)

Another channel that has evolved from the BRMC is the Business Registration Service Counters (BRSC). BRSC were initially set up at the Selayang Municipal Council and the Kuala Lumpur City Hall. The response from the local business community was overwhelming as reflected in the high volume of transactions recorded, despite the BRSC being newly introduced.

The following table shows the activities of BRSC in 2010.

BRSC	New Business Registration	Renewal of Business Registration	Registration of Changes in Particulars	Customers	Revenue (RM)
Selayang Municipal Council	3,588	9,236	2,402	16,197	470,100
Kuala Lumpur City Hall	851	2,175	278	3,731	264,035

Other Products

SSM has diversified its products and services in meeting the demand of the business community and the general public. Diversification of products and services offered comes from an in-depth understanding of the business landscape.

Corporate Information Data, Business and Company Commemorative Certificates and Tender of Company Numbers are SSM's main product range. These products have contributed RM1,239,242

New Initiatives

Various initiatives were implemented in 2010 to meet SSM's customer demands. These initiatives include the following:

- Introduction of a unique submission checklist for the lodgement of annual returns and accounts to facilitate bulk submissions by stakeholders during peak periods. This process provided a speedier lodgement process and eliminated a long waiting time.
- Embraced an environmentally friendly method for disposal of paper documents (which have been scanned) at a recycling facility.

in revenue for 2010, an increase of 21.4% from RM1,021,138 in 2009.

Enquiries And Complaints Management

SSM's customer service unit (CSU), which handles calls from the SSM 03-2299 5500 Hotline, received 42,446 telephone calls in 2010, an increase of 22.4% compared to 34,675 telephone calls in 2009.

The CSU also responded to 4,642 emails, an increase of 54.8% against 2,998 emails received last year.

Report on Public Service Delivery System (cont'd)

The table below illustrates the modern communication trends where customers' enquiries are attended to speedily through telephone and

email. SSM strives to deliver a positive customer experience through efficient resolution of customer complaints and enquiries through its CSU.

Communication Channel	2010	2009	2008
Hotline (telephone calls handled)	42,446	34,675	31,244
Enquiries through email	4,642	2,998	2,405
Information counter (general enquiries)	84,774	135,943	140,795
e-Complaints	919	255	391
Total	132,781	173,875	175,835



REPORT ON ENFORCEMENT INITIATIVES



REPORT ON ENFORCEMENT INITIATIVES

Ensuring compliance through effective enforcement activities and creating public awareness on the due compliance of the law towards promoting a business culture of voluntary compliance were the two key thrusts of SSM's enforcement drive in 2010. There was a significant increase in the number of complaints being disposed of compared to the previous year. Also, more inspections were carried out on companies, and more high profile cases involving serious breach of corporate governance were prosecuted.

COMPLAINTS ON BREACH OF CORPORATE LAWS

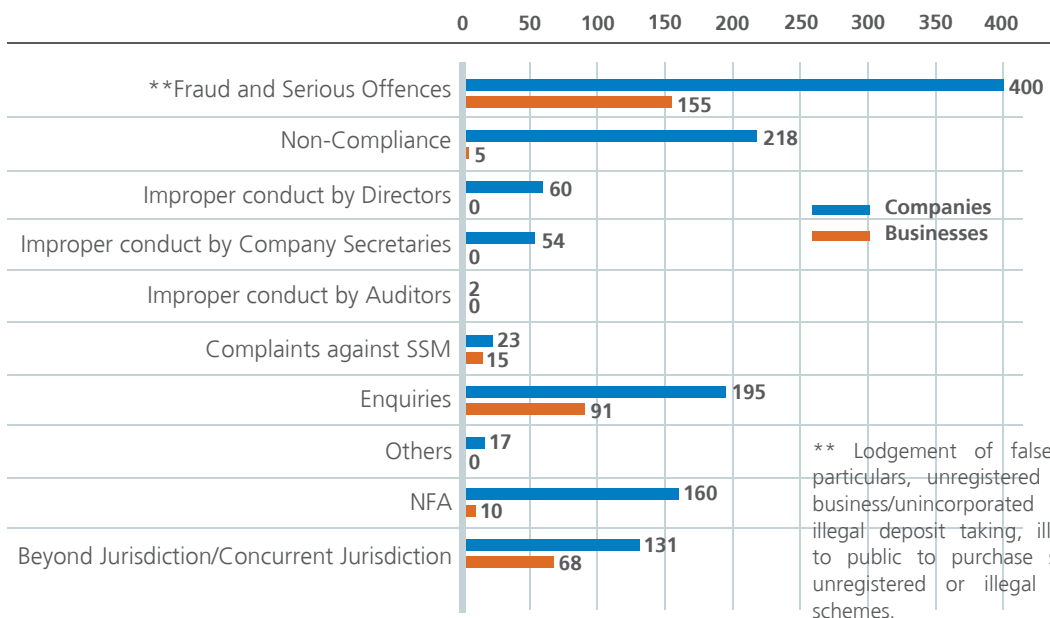
In 2010, the number of complaints received increased significantly compared to the preceding year. A total of 1,604 complaints, constituting 344 complaints on businesses and 1,260 on companies were received in 2010. The following table illustrates the three-year (2008–2010) comparison of complaints received and resolved.

Complaints Received and Resolved (2008-2010)

Year	Complaints Received			Complaints Resolved		
	2010	2009	2008	2010	2009	2008
Company	1,260	762	616	1,239	702	470
Business	344	287	169	328	269	138
Total	1,604	1,049	785	1,567	971	608

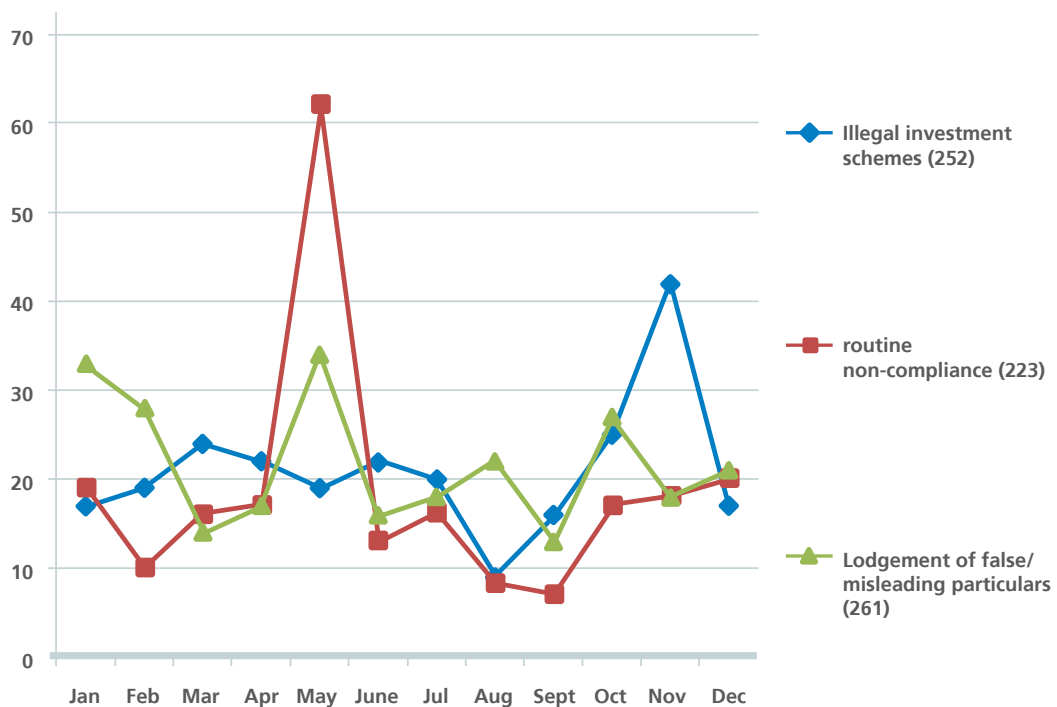
The chart below shows the breakdown of complaints received.

Profile of Complaints Issued for year 2010. Total = 1,604 complaints



Report on Enforcement Initiatives (cont'd)

Types of Complaints Received in 2010



Analysis of the top three categories of complaints for year 2010

The top three categories of complaints received were relating to:

- lodgement of false and misleading particulars (261)
- illegal investment schemes (252), and
- routine non-compliance (223).

Of the 1,260 complaints received in 2010, 'lodgement of false and misleading particulars' is the category with the highest number of complaints, with the majority of complaints involving the appointment of directors without prior knowledge.

Second in line were complaints related to illegal investment schemes, predominantly interest schemes or kootu fund schemes. The schemes affected many investors and involved huge sums of money. For instance, information received by SSM on a leech breeding scheme by a business and company affected at least 71 investors whose total investment amounted to approximately RM 5 million. Another scheme on the rearing of earthworms involved 3,000 investors, who lost more than RM25 million. Information received in 2010 also showed the activities of kootu fund schemes which involved 100,000 participants and a sum of RM33 million.

Illegal schemes have become rampant as can be seen from the reports received by SSM. In view of this development, SSM has enlisted the help of the media in highlighting various reports in 2010 to the public.

Report on Enforcement Initiatives (cont'd)

This move is largely aimed at creating awareness among the general public and to encourage them to perform background checks and carry out due diligence on such schemes before investing. The Complaints Section received 195 enquiries in 2010 which is a positive sign that the public is beginning to take action in checking up on the legality or background of scheme operators before making an investment decision.

Lastly were complaints on the failure to submit statutory returns, not tabling accounts and not holding Annual General Meetings (collectively referred to as 'routine non-compliance').

Proactive Measures

Acting on complaints received in 2010, several press statements were issued to alert the public on individuals who impersonated SSM officers and misled business owners into believing that the pest control services offered by them had been mandated by SSM and that it was a requirement for the business owners to renew their business registration.

Further, in response to complaints received, SSM also cautioned the public not to fall prey to a syndicate offering jobs through Sea Wave Cruise Line (Malaysia) Sdn. Bhd., which is not an incorporated entity.

INVESTIGATION DIVISION

In line with the government's aspirations to curtail economic crime — viewed as having the potential to impact the performance of the corporate sector and the national economy — the Investigation Division focused on offences involving public interest, financial fraud and abuse of power under the Companies Act 1965.

In March 2010, a special committee known as the 'Joint Committee on Combating White Collar Crime' was established by the Cabinet and chaired by YB Dato' Sri Ismail Sabri Yaakob, Minister of Domestic Trade, Co-operatives and Consumerism. The Joint Committee comprised SSM and a number of enforcement and regulatory agencies such as Bank Negara Malaysia (BNM), the Securities Commission (SC), the Royal Malaysia Police (PDRM), the Cooperative Commission of Malaysia (SKM), the Inland Revenue Board of Malaysia (IRBM) and the Enforcement Division of the Ministry of Domestic Trade, Co-operatives and Consumerism. This Committee served to encourage coordination of tasks between the agencies involved so as to avoid duplication in investigation action.

For the first time, the Investigation Division conducted investigations into offences under the Kootu Funds (Prohibition) Act 1971, an Act that is administered by SSM. Participation in kootu schemes has become popular among members of the public seeking additional income, not realizing that they have violated the Kootu Funds (Prohibition) Act 1971.

Three investigation papers have been opened under the Kootu Funds (Prohibition) Act 1971 and to date, all the investigation papers have been completed and referred to the Prosecution Section. The three cases are:

- a) Grand Merger Network & Services
- b) Kristal Karisma Enterprise
- c) World Heritage Resources.

The year 2010 also brought a landmark development in investigation activities whereby two investigation papers (IP) were opened under section 4 of the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 (AMLATFA). The cases involved the offering of non-existent high yield investment schemes to the public.

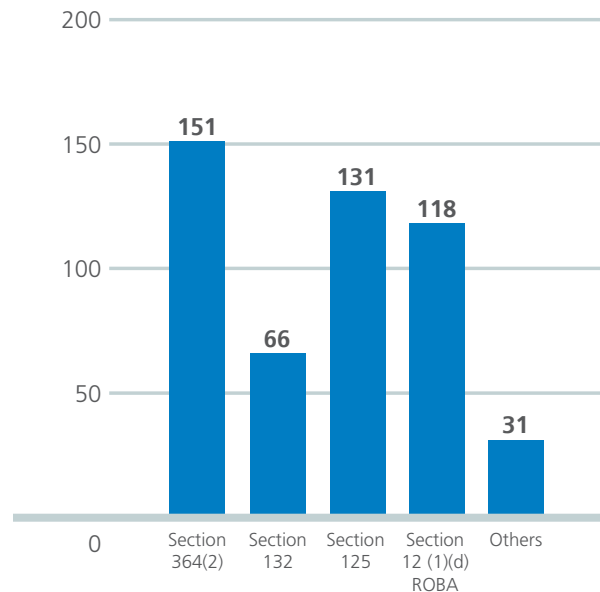
Report on Enforcement Initiatives (cont'd)

Offences investigated under the Companies Act 1965 are predicate offences under AMLATFA. Investigations have been completed and the two IPs have been approved by the Attorney General’s Chambers for prosecution. The two cases are as set out below:

- a) Golden Nest Properties International (M) Berhad – Consent to charge under section 4(1) of the AMLATFA 2001 has been granted to the Forfeiture of Properties Unit of the Attorney General’s Chambers office in which 68 charges have been registered at the Petaling Jaya Sessions Court.
- b) Toppick Network International Berhad – Consent to charge under section 4(1) of the AMLATFA 2001 has been granted to the Forfeiture of Properties Unit of the Attorney General’s Chambers office.

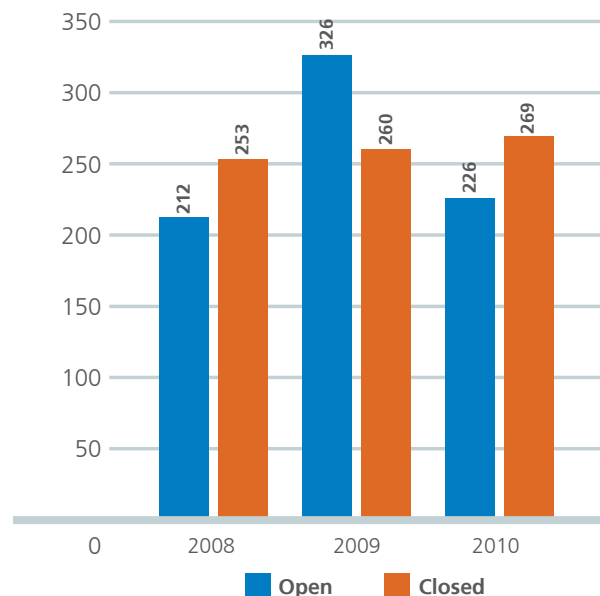
Investigation of offences

In 2010, a total of 497 cases were investigated for various offences under the Companies Act 1965 and the Registration of Businesses Act 1956 (ROBA). Of the total, the majority (30.38%) of the alleged offences were in relation to breach of section 364(2) of Companies Act 1965 whereby false and misleading statements were submitted to SSM. This was followed by breach of section 125(1) of Companies Act 1965 where undischarged bankrupts were serving as directors of companies, accounting for 26.36% of the cases while offences under section 132 constituted 13.28% of the overall investigations. The breakdown by number of cases and types of offences investigated are as follows:



New investigation papers opened and investigations concluded

In year 2010, a total of 226 new investigation papers (IPs) were opened and 269 investigation papers completed. The number of investigations concluded rose slightly by 3.46% compared to 2009. The total number of IPs opened and completed, from 2008 to 2010 are shown below:



Report on Enforcement Initiatives (cont'd)

PROMINENT CORPORATE GOVERNANCE INVESTIGATION PAPERS (IPs) COMPLETED

In line with the objective of enhancing the level of corporate governance, an increasing number of IPs were opened to investigate cases in relation to the breach of directors' fiduciary duties. As at 31 December 2010, the Investigation Division had successfully completed a number of prominent corporate governance cases investigated under section 132 of Companies Act 1965. The table below indicates the number of IPs opened, completed and consented to for prosecution in 2010:

No.	Company Investigated	Possible Offence
1.	Seal Incorporated Berhad	132(1), 132C
2.	Citinvest Sdn. Bhd.	132, 364
3.	Golden Plus Holding Berhad	69E, 69G
4.	L&R Warehousing Sdn. Bhd.	132, 67(1)
5.	Pampena Berhad	132, 133, 125
6.	Innobina Sdn. Bhd.	133
7.	Prospek Perkasa Sdn. Bhd.	132, 364
8.	Tetap Progresif Sdn. Bhd.	132, 254
9.	Flexomers Sdn. Bhd.	131, 132
10.	Ho Hup Construction Company Bhd.	69F
11.	Pusrawi Corporation Sdn. Bhd.	132, 107
12.	BK Commercial Trucks Sdn. Bhd.	131, 132
13.	Folin Food Processing Sdn. Bhd.	132(1)
14.	Consolidated Farms Berhad	132(1)
15.	CS Opto Semiconductors Sdn. Bhd.	132(1)

INVESTIGATION PAPERS (IPs) ON FRAUD CASES COMPLETED

In line with the objective of combating white collar crime and fraudulent activities, the Investigation Division completed a number of investigation on prominent fraud cases under various sections of the Companies Act 1965 and Kootu Funds (Prohibition) Act 1971. The following table shows the number of prominent, completed fraud related IP cases consented to for prosecution:

No.	Name of IP	Possible Offence
1.	Golden Nest Properties International (M) Bhd.	366(3)
2.	Toppick Network International Bhd.	366(3)
3.	Midlands Studylinks Sdn. Bhd.	366(3)
4.	Mahekhamay Agrotech Farm (M) Sdn. Bhd.	363, 84
5.	Grand Merger Network & Services	3 KPFA
6.	Kristal Karisma Enterprise	3 KPFA
7.	Faridah Binti Mohd Ali	3 KPFA

Note: NFA means No Further Action

Report on Enforcement Initiatives (cont'd)

Prosecution of Offences

In 2010, SSM prosecuted a total of 7,552 cases under various Acts administered by SSM. Year 2010 also witnessed a milestone in SSM's prosecution programme whereby criminal actions were initiated under the Kootu Funds (Prohibition) Act 1971 (Act 28).

The key agenda of SSM's enforcement programme is its continuous efforts in combating white-collar crimes involving company directors. In this respect, a number of criminal prosecutions under the section 132(1) of the Companies Act 1965 were initiated against company directors.

Section 132(1) of the Companies Act 1965 (Act 125) has been substantially amended by the Companies (Amendment) Act 2007 (Amendment Act) and came into effect on 15 August 2007. The Amendment Act amended sub-sections (1) and (2) of section 132 and introduced seven new subsections, namely subsections 132(1A) to 132(1G).

SSM also initiated nine criminal prosecutions against company directors for contravening section 132 of the Companies Act 1965 (Act 125). Of the

nine cases prosecuted, SSM obtained two convictions under section 132(1) in 2010. The convictions are as follows:

- (i) PP vs. Sariffudin bin Mohd Yusop (63A-431-2010).
- (ii) PP vs. Tan Huck Jin (62A-438-2010).

The Prosecution Section also took other proactive measures to monitor convicted directors in Malaysia. This was done through the regular monitoring of the 'Delinquent Directors Register' (DDR) system. The DDR is a database which records, stores and maintains information on directors who have been convicted under the Companies Act 1965 (Act 125). Through the information stored in the DDR and the powers bestowed upon the Registrar under the purview of section 130 of the Companies Act 1965 (Act 125), SSM is able to exercise effective monitoring, as well as implement a vetting system, on a possible candidate when one applies to be a company director.

The tables and the figures below are the Prosecution Section's overall achievement for the year 2010. They are followed by case highlights of year 2010.

Report on Enforcement Initiatives (cont'd)

NO.	CORPORATE GOVERNANCE OFFENCES UNDER THE COMPANIES ACT (CA) 1965 AND KOOTU FUNDS (PROHIBITION) ACT 1971	NUMBER OF CONVICTIONS IN 2010
1.	Section 7D(5) of CA 1965 Failure to appear before the Registrar to be examined orally as required under section 7D(1)	1
2.	Section 125(1) of CA 1965 Undischarged bankrupt acting as company director	17
3.	Section 132(1) of CA 1965 Failure, as director of a company, to act in the best interests of the company	2
4.	Section 139A of CA 1965 Person continues to act as company secretary without a valid licence	1
5.	Section 364A(1)(a) of CA 1965 Officer with intent to deceive furnishes false information to directors of the company	5
6.	Section 3 Kootu Funds (Prohibition) Act 1971 Carrying on business of promoting kootu funds	3
7.	Section 364(2) Companies Act 1965 Person who made or authorized the making of a statement, false or misleading in any way, particularly knowing it to be false or misleading	5
TOTAL NUMBER OF SERIOUS CORPORATE GOVERNANCE OFFENCES CONVICTED		34

Report on Enforcement Initiatives (cont'd)

NO.	OFFENCES UNDER COMPANIES ACT (CA) 1965	NUMBER OF CONVICTIONS IN 2010
1.	Section 7(11)(a) & (b) of CA 1965 Failure to give notice of information in writing to Registrar & failure to supply any information or in supplying information, makes statement(s) known to be false	4
2.	Section 7D(5) of CA 1965 Failure to appear before the Registrar to be examined orally as required under section 7D(1)	17
3.	Section 15(1)(d) of CA 1965 Private company inviting public to deposit money with company	4
4.	Section 91(1) of CA 1965 Issuing of interests without an approved deed	2
5.	Section 121(1)(b) of CA 1965 Failure to print company name & number on official documents	1
6.	Section 121(3) of CA 1965 Failure to display company name on all offices	2
7.	Section 125(1) of CA 1965 Undischarged bankrupt acting as company director	28
8.	Section 132(1) of CA 1965 Director failed to act in the best interests of the company	9
9.	Section 133A of CA 1965 Loans to persons connected with directors	1
10.	Section 139(1B) of CA 1965 Office of company secretary left vacant for more than one month	2
11.	Section 139A of CA 1965 Person continues to act as company secretary without a valid license	2
12.	Section 139C of CA 1965 Undischarged bankrupt acting as company secretary	2
13.	Section 143(1) of CA 1965 Failure to hold Annual General Meeting	1,487

Report on Enforcement Initiatives (cont'd)

NO.	OFFENCES UNDER COMPANIES ACT (CA) 1965	NUMBER OF CASES REGISTERED/ CHARGED IN 2010
14.	Section 156(1)(a) of CA 1965 Failure to record minutes of all proceedings of general meetings or meetings of its directors/managers	2
15.	Section 165(4) of CA 1965 Failure to lodge Annual Returns	3,578
16.	Section 165A(1) of CA 1965 Failure to attach Auditor's statement	46
17.	Section 169(1) of CA 1965 Failure to table accounts at the Annual General Meeting within the prescribed period	1,666
18.	Section 169(4) of CA 1965 Failure to audit profit and loss accounts before tabling at the company Annual General Meeting	2
19.	Section 364(2) of CA 1965 Person who made or authorised the making of a statement, false or misleading in any way, particularly knowing it to be false or misleading	27
20.	Section 364A(1)(a) of CA 1965 Officer who, with intent to deceive, furnishes false report to directors of the company	2
21.	Section 363(3) of CA 1965 Fraudulently inducing persons to invest money	2
22.	Section 366(3) of CA 1965 Obtaining payment of money to company by false promise and with intent to defraud	6
23.	Section 367(1) of CA 1965 Improper use of words 'Limited' and 'Berhad'	1
24.	Section 370(1) of CA 1965 Default penalty proceedings for continuous default	84
TOTAL NUMBER OF CASES REGISTERED/CHARGED		6,977

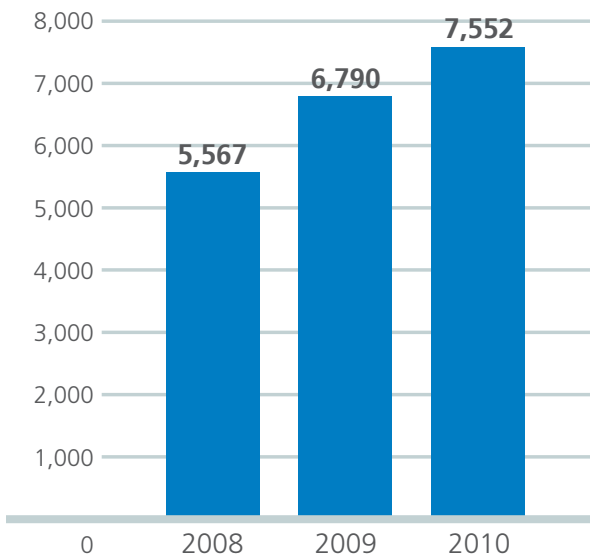
Report on Enforcement Initiatives (cont'd)

NO.	OFFENCES UNDER REGISTRATION OF BUSINESSES ACT (ROBA) 1956	NUMBER OF CASES REGISTERED/ CHARGED IN 2010
1.	Section 12(1)(a) of ROBA 1956 Carrying on business without registration	22
2.	Section 12(1)(b) of ROBA 1956 Carrying on business after expiry of business registration	348
3.	Section 12(1)(d) of ROBA 1956 Failure to comply with requirements of the Registrar under section 10	11
4.	Section 12(2) of ROBA 1956 Failure to display certificate of registration	81
5.	Rule 17A(1)(b) of ROBA 1956 Failure to submit change of registered business particulars	32
6.	Rule 17A (2) of ROBA 1956 Failure to display signboard	69
TOTAL OF CASES REGISTERED/CHARGED		563

NO.	OFFENCES UNDER KOOTU FUNDS (PROHIBITION) ACT 1971	NUMBER OF CASES REGISTERED/ CHARGED IN 2010
1.	Section 3 of Kootu Funds (Prohibition) Act 1971 Registered businesses illegally organising and/or collecting kootu funds from the public	12
TOTAL NUMBER OF CASES REGISTERED/CHARGED		12

Report on Enforcement Initiatives (cont'd)

Total Number of Cases Prosecuted



Prosecution highlights in 2010

Public Prosecutor (PP) v Island Red Café Franchise Sdn. Bhd.

The two Directors of Island Red Cafe Franchise Sdn. Bhd. had been charged on 9 February 2010 under sections 366(3), 363(5) and 27(8) of the Companies Act 1965 for offering shares of the said company for investment purposes and for misleading members of the public to invest monies in the said company.

PP v Golden Nest Properties International (M) Berhad

Golden Nest Properties International (M) Berhad had been offering shares to members of the public via a 'bird's nest cultivation' investment scheme. By doing so, the said company had been acting outside its ordinary course of business i.e. offering such shares to the public. The said offer was in contravention of section 363(3) of CA 1965. Further, the said company had also offered the 'bird's nest cultivation' interest scheme without obtaining the Registrar's Approved Deed and thereby contravened section 91(1) of CA 1965. The two Directors of the company had been charged for the said offences at the Petaling Jaya Sessions Court on 18 March 2010.

PP v MyBroadband.Com Sdn. Bhd.

The Director of MyBroadband.Com Sdn. Bhd. had also been a director of a competitor company whereby he had misused his position to lose MyBroadband's business kiosk at Giant Hypermarket Bukit Tinggi, Klang to the competitor company and thereby had caused losses to MyBroadband.com. He was charged and convicted under section 132(1) of the Companies Act 1965 for acting in bad faith and breaching his director's fiduciary duties.

PP v Grand Merger Network & Services

Three individuals had set up a business, Grand Merger Network & Services, offering to the public a kootu fund scheme via newspaper adverts. The business required participants to participate in an Islamic based principle known as 'Tawoon Scheme' whereby participants had to deposit monies in the form of a Postal Order. The scheme had been introduced in May 2009 via a website and had managed to gather a total of 81,003 participants who in turn had invested an estimate sum of RM2,444,848. The three were convicted under section 3 of the Kootu Funds (Prohibition) Act 1971 for offering a scheme which was prohibited under the said section.

PP v World Heritage Resources

PP v Kristal Karisma Enterprise

PP v Al Falah Global Resources

The business owners of the above mentioned three businesses were charged on 28 September 2010 and 15 October 2010 for offering kootu fund schemes to the public. These businesses required participants to participate in a scheme known as 'Program Express' whereby participants had to deposit monies in the form of 'Postal Orders'. The scheme had been introduced in 2003 and had been in operation since then.

Report on Enforcement Initiatives (cont'd)

LITIGATION SECTION

2010 was a hectic year for the Litigation Section which saw a vast increase in the number of files handled. A total of 154 new civil litigation files pertaining to cases relating to CA 1965 and ROBA 1956 was opened. Following judgments recorded in the courts, 62 files were closed leaving 92 files which are pending trial and disposal at the High Court and Court of Appeal.

Overview of important civil cases involving SSM

(i) Federal Court Civil Appeal No. D1(f)-15-2008(w): N.V Multicorporation Berhad & 10 others v. SSM (the Nirvana case)

- N.V Multicorporation Berhad is the holding company for subsidiaries which operate memorial parks in Malaysia and abroad under the name and brand 'NIRVANA'. They offer burial plots and urn compartments in structured and sophisticated memorial parks which cater mostly to Christians and Buddhists.
- Back in 2004, N.V Multicorporation and 10 of its subsidiaries were unhappy with steps taken by SSM to compel them to comply with the requirements of Part IV Division 5 of CA 1965 for operating an interest scheme. They filed an Originating Summons in the Kuala Lumpur High Court and succeeded in obtaining a declaration that their business operations are not an 'interest scheme'.
- The Court of Appeal reversed the High Court decision in June 2008 and decided in favour of SSM. In a nutshell, according to the unanimous decision delivered by Dato' Abdul Hamid Embong JCA, a mere labeling of the agreement as a 'license agreement' is not conclusive. The substance of the transaction coupled with the need to protect investors is of paramount importance, hence deeming their operations as an 'interest scheme'.
- N.V Multicorporation and its subsidiaries then filed an appeal to the Federal Court. The appeal was heard in September 2009. On 8 June 2010, the Federal Court in a majority decision delivered their judgment in favour of SSM. Tan Sri Richard Malanjum CJSS and Tan Sri James Foong FCJ decided in favour of SSM, and Dato' Hashim Yussof FCJ gave a dissenting judgment. The majority decided that based on the wide definition of the word 'interest' under section 84 CA and the actual substance of Nirvana's business, they must comply with Part IV Division 5 of CA.
- A portion of Tan Sri James Foong's judgment is worth noting: 'Memorial parks that are safe, orderly and well maintained are attractive to the public. Thus, under these circumstances, both parties have a mutual interest to ensure the success of this common enterprise. It is therefore wrong to say that the transaction between the purchasers and the plaintiffs (Nirvana) is a one-off transaction. The efforts of the plaintiffs are of a continuing nature and do not stop at the sale of the burial plots or spaces in the columbarium.'
- The Nirvana judgment is a landmark decision for interest schemes in Malaysia and constitutes a high note for SSM. It is very useful for SSM in its efforts towards

Report on Enforcement Initiatives (cont'd)

enforcing the provisions of Part IV Division 5 CA. In particular, SSM will rely on this decision for matters which are pending in the Courts and those which are being investigated.

(ii) Kuala Lumpur High Court Originating Summons No.D-24NCC-67-2010 Registrar of Companies v. Dato' Low Tuck Choy, Low Lai Yong, Low Chee & Sons Sdn Bhd and Ho Hup Construction Berhad

- SSM commenced civil action by way of an Originating Summons against three substantial shareholders of Ho Hup pursuant to a complaint received from the then Board of Directors of this company. The complaint centred on the issue that these substantial shareholders had acquired Ho Hup shares without complying with the disclosure requirements under sections 69E and 69F CA. In addition, these shareholders acted in concert with other individuals to discreetly acquire Ho Hup shares to gain majority control of the company prior to its EGM scheduled on 17 March 2010.
- In the Originating Summons, SSM requested for an order to restrain the three substantial shareholders from exercising their voting rights until SSM completed its investigation and the Public Prosecutor decided whether or not to commence prosecution action against the parties in breach.
- On 10 March 2010, SSM obtained an ex parte injunction order from the Kuala Lumpur High Court against Dato' TC Low, LY Low and Low Chee & Sons Sdn. Bhd. to restrain them from exercising any voting rights attached to all Ho Hup shares registered under their names.
- This ex parte order was subsequently contested by parties concerned leading to a variation order granted by the Court on 16 March 2010. Under the variation order, the restraining order was varied and limited to 'impugned shares' acquired by Dato' TC Low and LY Low in 2009 and 2010. Factions aligned to Dato' TC Low then proceeded to vote out the board of directors of Ho Hup in the EGM held on 17 March 2010.
- At the hearing of the Originating Summons on 3 September 2010, all parties agreed to record a consent judgment on the terms that the Defendants undertake to notify SSM in the event that they receive any notice in respect of any general meeting of the company on or before 31 December 2010.
- The civil action taken by SSM obtained wide media coverage. It was the first time SSM flexed its restraining powers under section 69N of CA. It is worth noting that some media coverage claiming that SSM was being unduly influenced by third parties in invoking this action is wholly unjustifiable.
- At this point in time, SSM has completed its investigation in this matter and the IP is currently being reviewed by the Public Prosecutor.

(iii) Kuala Lumpur High Court Companies (Winding-Up) No. D-28NCC-90-2010 Suruhanjaya Syarikat Malaysia v. Isles International Universite (European Union) Limited (formerly known as Irish International University)

Report on Enforcement Initiatives (cont'd)

- Irish Internationale Universite (European Union) Limited (now known as Isles Internationale Universite (European Union) Limited) (the Company) is a foreign company registered in Malaysia pursuant to section 332(1A) of the Companies Act 1965 (CA).
- SSM had commenced a winding-up action against the Company at the Kuala Lumpur High Court pursuant to section 218(1)(m) & (n) of the CA on the grounds that the Company is being used for an unlawful purpose which is prejudicial to public interest.
- Prior to the commencement of the winding-up action, SSM had received a complaint from the Ministry of Higher Education of Malaysia (MOHE) that the Company is illegally carrying on business as a provider of private higher education institution. In other words, the company is a 'bogus university'.
- On the hearing date of the Petition on 8 April 2010, the solicitor for the Company raised two preliminary issues. Firstly, SSM does not have locus standi to file the petition. Secondly, section 218 of the Companies Act 1965 refers to the winding up of companies incorporated in Malaysia, and not the rest of the world.
- The High Court Judge, YA Tuan Mohamad Ariff Mohd Yusof gave a decision on 27 May 2010 on the preliminary issues raised by the Company that SSM has no locus standi to commence winding up proceedings in accordance with section 315 of the CA.
- Under section 315 of the CA, a foreign company may be wound up in 3 circumstances described by section 315(1)(c)(i-iii) as follows:
 - o the company has been dissolved or ceased to have a place of business in Malaysia or has ceased to carry on business in Malaysia;
 - o the company is unable to pay its debts; and
 - o the Court is of the opinion that it is just and equitable for the company to be wound up.
- Section 315 does not provide for who may file a petition for winding up. Therefore, reference should be made to section 217 of the CA as a guide. According to YA Hakim, the three grounds for winding up pursuant to section 315(1)(c)(i- iii) lies more with the creditor or contributory, and not appropriate to be begun by the Registrar of Companies.
- As a result of this case, SSM is currently looking into amending sections 314 and 315 of the CA so that the Registrar of Companies has the power to wind up foreign companies, as the powers available under section 217(1)(h) and 218(1)(m) and (n) of the CA 1965 .

Contribution to SSM's Outreach and International Efforts

Our Legal Officers continued to contribute towards SSM's Outreach efforts by delivering talks in internal programmes and other venues, notably ILKAP,

Report on Enforcement Initiatives (cont'd)

MDTCC, MAICSA and others. In 2010, four of our legal officers successfully attended an accreditation course as Certified Trainers organized by COMTRAC and Human Resources Development Fund (HRDF). Our legal officers also contributed towards internal knowledge enhancement through the periodical issuance of Legal Notifications and lectures in Knowledge Empowerment Sessions (KES).

On the international front, a senior SSM legal officer completed an intensive Mutual Evaluation Assessors Workshop organized by the International Monetary Fund and Asia-Pacific Group on Anti-Money Laundering held in Singapore in August 2010. The officer is now ready to conduct Mutual Evaluation Exercises on Anti-Money Laundering in the Asia-Pacific jurisdictions.

This legal officer was also accorded the honour of being appointed as the Co-Chair of the Asia-Pacific on Anti-Money Laundering Typologies Working Group for 2010–2011. One of the initial tasks was to co-chair the AML/CFT Typologies Workshop which was held in November 2011 at Dhaka, Bangladesh. This Working Group is currently working on several key projects, notably cross-border organized fraud and activities of non-profit organizations. The reports of these projects are expected to be tabled in July 2011 at the Annual General Meeting of the APG.

DATABASE & PHYSICAL INSPECTION

Moving towards structured and systematic enforcement activities as prescribed under SDP II, inspection activities were being planned comprehensively to ensure the uniformity of strategies across all branches of SSM. Through both database inspections and on-site physical inspections, SSM is committed to promoting voluntary compliance under the balanced enforcement philosophy by approaching companies

and educating them in aspects of compliance with the law.

In 2010, a total of 455,864 companies and 527,975 businesses were inspected. The total number of on-site physical inspections increased by 23% where 100,529 physical inspections have been conducted compared to 82,023 in 2009. Most inspections conducted were on businesses registered under ROBA 1956 totaling 76%.

Out of total inspections conducted, 883,310 or 90% were database inspections which involved the screening of corporate and business information stored in SSM's database.

Pursuant to the database inspections carried out, SSM had taken the following actions:

- 682,442 annual reminders were sent to companies and company directors to hold their respective Annual General Meetings before the due date and to table audited accounts during such meetings pursuant to the requirement of section 143(1) and 169(1) of Companies Act 1965 (CA 1965).
- 66 notices were sent in relation to section 125 of CA 1965 to company directors who continued to act as directors after being declared bankrupt.
- 1,208 reminder notices were sent to company directors and secretaries who failed to furnish the Statement of Affairs and Accounts to their respective receivers pursuant to section 234 of CA 1965. 2,197 notices in relation to section 7(11)(a) of CA 1965 were sent to 470 companies and its officers requesting for the status of charges pursuant to section 113 of CA 1965.

Inspection activities were also carried out to verify the reliability of financial statements and to ensure good corporate governance practices as well as the integrity of the officers of the company. Accordingly,

Report on Enforcement Initiatives (cont'd)

the following actions were taken:

- 56 reprimand letters in relation to the provision of section 166A(5) of CA 1965 were sent to companies which had failed to prepare accounts in accordance with approved accounting standards.
- 12 companies were referred for investigation under section 133(1) of CA 1965 for providing or authorizing loans to the directors.

The number of notices of compounds issued for offences detected from the physical and data-based inspection activities carried out in 2010 had increased by 58% compared to notices of compounds issued in 2009.

MONITORING OF MEDIA & WEB-BASED BUSINESS ACTIVITIES

In 2010 SSM continued to monitor web-based business activities and compliance by companies and businesses which had publicized or advertised their activities in local media. Inspections carried out on numerous companies and businesses identified through monitoring of local media and 1,012 websites revealed the following offences committed under the Acts administered by SSM:

Type of Offence	Number of company/businesses			
	Websites		Local media	
	2010	2009	2010	2009
Offences under Division 5 Part IV of CA 1965 for offering an interest under section 84 of CA 1965	52	15	76	18

Offences under KFA 1971	10	1	1	1
Offences involving public interest issues (e.g: Direct selling, illegal deposit taking, etc)	19	9	8	-
Common offences under CA 1965 & ROBA 1956 (e.g: Failure to lodge Annual Returns & Financial Statements, failure to update business information)	477	20	523	276
Total	558	235	608	295

Based on the findings, cases on offences under the Acts administered by SSM were forwarded for criminal or administrative action whereas cases related to other offences were referred to the relevant agencies.

Reports on findings and enforcement action taken by SSM with regards to the offences identified through the web-based business activities were reported to the National Security Council on a monthly basis.

SURVEILLANCE ON INTEREST SCHEMES

SSM continued its surveillance activities on registered and unregistered interest schemes under the provision of Division 5 Part IV of CA 1965 to ensure that the interests of public investors are protected. Section 94(1) of CA 1965 provides a penalty of imprisonment for five years or RM100,000 fine or both for non-compliance of provisions under the Division. Offering interest without a valid

Report on Enforcement Initiatives (cont'd)

prospectus is also an offence under section 363(5), which brings with it a penalty of 10 years imprisonment or a RM250,000 fine.

As at 31 December 2010, 166 interest schemes have been registered with SSM.

In 2010, 31 registered schemes concerning 6 trustees were inspected compared to 23 schemes in year 2009 as shown in the table below:

Types Of Schemes Inspected	2010	2009	2008
Golf & Recreational Clubs	8	7	1
Recreational Clubs	9	8	4
Timesharing	9	3	-
Marina	2	5	1
Share Farming	1	-	3
Memorial Park	2	-	-
Total	31	23	9

Pursuant to the inspections carried out, notices of compounds were issued to scheme operators for breaches of the following sections of the Companies Act 1965:

OFFENCES (CA 1965)	NUMBER OF CASES
Section 90(1) Offer/invitation to public for membership subscription without valid prospectus	2

Section 93(1) 1
Failure to lodge to the Registrar a Statement of Interest (Form 32) Within 2 Months After the Financial Year End

Section 94(1)(b) 3
Failure to comply with a covenant contained in a trust deed

Section 143(1) 2
Failure to hold Annual General Meeting

Section 165(4) 2
Failure to lodge Annual Returns to Registrar

Section 169(1) 6
Failure to table profit and loss accounts in Annual General Meeting within 6 months after the Financial Year End

Besides compliance with registration requirements, inspections revealed that the level of compliance on the requirement to submit annual returns and audited accounts by scheme operators had increased from 83% in year 2009 to 87% in 2010. The increase is due to initiatives taken by SSM to encourage the practice of corporate governance among directors of scheme operators through awareness programmes which include joint meetings and discussions with interest scheme associations and related parties.

SSM is serious in addressing investor and consumer protection issues. In 2010 SSM had identified and monitored 151 unregistered scheme activities, ensuring that early action was taken to protect investors who may have been deceived into investing in unregulated interest schemes. The number of schemes monitored showed an increase of 26% compared to 120 schemes monitored in 2009. This figure also indicates the increase in number of

Report on Enforcement Initiatives (cont'd)

schemes promoted by entrepreneurs to the public and the participation by investors. Detailed statistics of the surveillance on unregistered interest schemes are as follows:

Types of Unregistered Interest Schemes Monitored	2010	2009
Livestock	90	28
Business Management	2	7
Share farming	11	21
Land Banking	8	2
Rent-back Scheme	4	5
Membership	-	9
Fitness Club	-	5
Multilevel Marketing	5	11
Retirement Scheme	-	4
Others	31	28
TOTAL	151	120

Through continuous monitoring and surveillance activities carried out in year 2010, 11 companies and businesses were referred for further investigation for offering suspicious schemes and interests to the public, 18 cases were referred to the Registration Services Department for advisory role on the requirement of Division 5 Part IV of Companies Act 1965, 3 companies and its directors were compounded under section 94(1) of CA 1965, 12 cases which were not under SSM's purview were referred to the relevant agencies while the other cases are still being monitored. 60% of the schemes which are still being monitored are from the livestock

category where 64 of the cases are related to the breeding of Arowana fish.

In 2010, SSM stepped up its surveillance on activities promoting kootu (tontine) funds. Section 3 of Kootu Funds (Prohibition) Act 1971 (KFA 1971) prohibits any person to carry on the business of promoting kootu funds. Any person who carries on such businesses shall be guilty of an offence and shall on conviction be liable to a fine not exceeding five thousand ringgit (RM5,000) or imprisonment for a term not exceeding three years, or both.

As at December 2010, 29 schemes had been monitored under KFA 1971. Four schemes were confirmed as kootu schemes and referred for further investigation.

Pursuant to the investigations carried out, the licences of 19 businesses have been revoked under section 5C(2) of ROBA 1956 for either carrying on business, or for being an agent, of promoting kootu funds. The owners of the schemes were referred for prosecution under section 3 of KFA 1971. Details of the businesses and actions taken were also forwarded to the respective municipal councils e.g. Majlis Bandaraya Melaka Bersejarah, Majlis Perbandaran Seremban and the local authorities for further action.

SSM believes that the emergence of such fund raising schemes in Malaysia is due to public greed — wanting quick returns with minimum investment and apathy or ignorance of the law. Thus, SSM is aggressively implementing awareness programmes through mass media to prevent the continuous mushrooming of these schemes. SSM is also in the process of amending the penalty under section 3 KFA 1971 from RM5,000 or three years imprisonment to RM500,000 or 10 years imprisonment. It will be gazetted as predicate offences under the Anti-Money Laundering Act 2001.

Report on Enforcement Initiatives (cont'd)

SURVEILLANCE ON AUDITORS

As at 31 December 2010, 80% or 1,514 registered company auditors were classified as active and involved in 1,479 audit firms in Malaysia. Meanwhile, in 2010 SSM had received 27 applications to register new audit firms, a 68% increase from the 16 applications received in the previous year.

Pursuant to various inspections carried out in 2010, SSM had taken the following enforcement actions against auditors:

- 22 registered audit firms were compounded under Regulation 8A(4) due to failure to lodge a return in Form 5 within one month after changes in any particulars relating to the firm or its partners.
- 17 auditors were compounded due to failure to comply with the provision of section 9(4)(a). The section provides that a firm shall not knowingly act as an auditor for any company unless all the partners of the firm were residents in Malaysia and are approved company auditors.
- 25 sole proprietorship audit firms' registrations were terminated by the Registrar due to their failure to inform SSM regarding the cessation of business.
- 378 inactive auditors' personal files and auditors' information were removed from SSM's database.
- Reprimand letters in relation to the provision of section 9(6) of CA 1965 were sent to 5 audit firms which had failed to receive written consent to act prior to the appointment.
- Three reprimand letters were sent to 3 auditors for an offence under section 169(1) and 2 offences under section 174(8A) respectively.
- One recommendation for the revocation of an auditor's approval due to his failure to comply with the provision of section 9(1)(c)(i) of the CA 1965. The auditor's approval was revoked by the Minister on 10 February 2010.

SURVEILLANCE ON COMPANIES LIMITED BY GUARANTEE (CLBGs)

As at 31 December 2010, a total of 1,587 CLBGs were registered with a level of compliance at 86% which was a slight increase by 0.38% compared to the compliance rate as at 31 December 2009 (85%). The increase is due to the initiatives taken to enhance corporate governance practices among directors and company secretaries of CLBGs, especially on the lodgement of Annual Returns through a balanced enforcement approach. Inspections were conducted to ensure the compliance of these non-profit oriented companies (NPOs) to the provision of CA 1965 and to ascertain that the source of income and the usage of funds were not being diverted to support unlawful activities which may affect public interests and national security. This is in line with one of the key features in the Financial Action Task Force (FATF) Nine Special Recommendations on Terrorist Financing 2001, which require all countries to have measures in place to ensure that terrorist organizations do not pose as legitimate NPOs.

In 2010, inspections were conducted on 274 CLBGs and the following breaches were detected:

Report on Enforcement Initiatives (cont'd)

No.	Offences Committed by CLBG Under CA 1965	2010	2009	2008
1.	Section 9(6) Failure to obtain written consent from auditors prior to their appointment.	-	6	9
2.	Section 19(2) Failure to obtain approval / consent of the Minister in relation to the licence to hold land by the company.	-	3	4
3.	Section 24(4) Failure to obtain approval / consent of the Minister in relation to the amendment to the Memorandum and Articles of the company.	1	2	4
4.	Section 121(1)(b) Failure to print the name and company number on documents.	1	5	1
5.	Section 129(6) Failure to obtain approval for the appointment of directors over the age of 70 in the Annual General Meeting.	-	2	7
6.	Section 141(6) Failure to keep registers of directors, managers and secretaries at the company's Registered Office.	1	1	-
7.	Section 143(1) Failure to hold the Annual General Meeting within the specified period.	2	27	-
8.	Section 157(1) Failure to keep minute book at the registered office.	-	1	-
9.	Section 158(1) Failure to keep register of members.	-	1	1
10.	Section 165(5) Failure to lodge Annual Returns within the specified period.	2	29	7
11.	Section 169(1) Failure to table audited accounts at the Annual General Meeting.	8	61	38

Report on Enforcement Initiatives (cont'd)

COMPANY SECRETARIES

As at 31 December 2010, a total of 9,594 licensed company secretaries and 46,254 members of prescribed bodies were qualified to act as company secretaries in Malaysia.

In 2010, SSM received 194 new applications for company secretary licences, representing a 19% decline compared to 239 in 2009. The reduction in applications for company secretary licences in 2010 was due to strict policies enforced by SSM in ensuring that only candidates who are fit and qualified be given company secretary licences.

Commencing 25 February 2010, a written assessment has been made a prerequisite to evaluate candidates on their technical skills before being granted a licence. Out of 26 interview sessions conducted involving 153 shortlisted candidates, only 53 were granted the licence, 66 had failed and the remaining 34 candidates did not to turn up for the interview sessions.

Inspections with regard to company secretary practices revealed the following breaches:

Offences Under CA 1965	2010	2009	2008
Section 139(1)(B) Company secretary post left vacant for more than 30 days	2	892	2,151
Section 139B(5) Failure to renew licence 30 days before expiry	38	90	92
Section 139C(2) Failure to act honestly or use reasonable diligence in the discharge of their duties as a company secretary.	64	45	20
Section 139C(3)			
• Continuing to act as a company secretary after expiry of licence	27	69	85
• Directors allowing company secretary to continue to act as company secretary after being disqualified/expiry of licence	315	589	64
TOTAL	446	1,685	2,412

From the table above, it can be seen that there was a general decrease in the number of offences committed by company secretaries. This is largely due to the continuous monitoring effort to ensure that only fit and proper persons are allowed to act as company secretaries.

Administrative Actions

Pursuant to the 'Balanced Enforcement' approach, SSM had also initiated various categories of administrative actions against company secretaries namely:

Report on Enforcement Initiatives (cont'd)

- i) Issuance of show cause letters
- ii) Issuance of inquiry letters
- iii) Issuance of reprimand letters
- iv) Issuance of reprimand letters to company directors operating without a company secretary/failure to appoint a company secretary
- v) Blacklisting
- vi) Revocation of licence
- vii) Enforcement of new conditions for issuance of company secretary licence
- viii) Announcement of implementation of 'SSM Continuing Professional Education (CPE) Points' to be effectively implemented beginning year 2011.

In 2010, a total of 7 licensed company secretaries were reprimanded for failing to act honestly and use reasonable diligence in discharging their duties, while 12 were issued with show cause letters. 21 company secretaries from members of prescribed bodies were issued with reprimand letters while 18 were referred to their respective prescribed bodies for further action following complaints received from the public. 315 company directors were issued with reprimand letters for allowing their company secretaries to act after expiry of their licences.

Inspection of Registered Offices

In 2010, physical inspections were carried out at Registered Offices of companies to ascertain the efficiency and competency of company secretaries and ensure that records and statutory books are kept and updated in accordance with CA 1965 and CR 1966. Pursuant to the inspections carried out in 2010, the following enforcement actions were initiated:

- 44 company secretaries were advised on their duties relating to company secretarial practices to enhance their competency level.

- Letters of reprimand were issued to 28 company secretaries for non-compliance with section 139C(2).
- 1 letter of reprimand and 6 notices of compound issued under section 364(2) were issued to secretaries who were found to have made or authorized false and misleading statements with regard to the date of tabling the audited financial statements.

COLLABORATION WITH OTHER AGENCIES

SSM has ongoing collaborations with other corporate co-regulators and enforcement agencies including the Ministry of Domestic Trade, Co-operatives and Consumerism, the Kuala Lumpur City Hall, Jabatan Kemajuan Islam Malaysia (JAKIM), the National Security Council, the Malaysian Communication and Multimedia Commission, Bank Negara Malaysia, the Royal Malaysian Police and the Malaysian Anti-Corruption Commission. These collaborations enable information sharing and help to cultivate better enforcement of laws and regulations.

The areas of collaboration include:

- monitoring activities of companies and businesses through websites and blogs to identify any illegal activities
- monitoring the compliance level of companies and businesses which apply for premise licences from the Kuala Lumpur City Hall or other local authorities
- monitoring the usage of funds by CLBGs which involve the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 and activities of public interest and national security

Report on Enforcement Initiatives (cont'd)

- monitoring the involvement of companies and businesses in relation to current issues regarding aqidah and syariah (particularly with JAKIM, Royal Malaysian Police and other enforcement agencies), and
- other corporate governance related issues with regard to.

Awareness Campaigns

In 2010, SSM continued with its awareness campaigns by holding joint seminars with professional associations like the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and the Institute of Approved Company Secretaries (IACS), giving talks at seminars and functions, and participating in expositions and events organized by other government agencies and ministries. Brochures on Interest Schemes were circulated to the participants during such events.

STAKEHOLDERS' EDUCATION AND AWARENESS

In 2010 the Companies Commission of Malaysia Training Academy (COMTRAC) stepped up its efforts to complement SSM's initiatives in promoting voluntary compliance among its stakeholders by holding more training sessions nationwide and introducing more topics in the training programmes.

The Companies Commission of Malaysia Training Academy Advisory Panel

The Panel was established pursuant to subsection 19(1) of the Companies Commission of Malaysia Act 2001 which consists of seven members including SSM's Chief Executive Officer in an ex-officio capacity. Throughout 2010, the Panel constantly monitored the progress and implementation of COMTRAC's business plan and provided advisory support and views on COMTRAC's strategic direction plans,

training programmes and curriculum development. In 2010, the Advisory Panel Members met four times to address the various activities initiated by COMTRAC.

Members of COMTRAC's Advisory Panel are:

1. Prof. Dr. Aishah Bidin (Chairperson)

Dr. Aishah is the Dean of Law Faculty, Universiti Kebangsaan Malaysia (UKM). Dr. Aishah obtained her LLB (Hons) from the University of Malaya, her Masters in Laws from the University of Kent and her Ph.D in Law from the University of London. Through the fundamental research grant from UKM (FRGS) she has completed three projects for the university: a project on Insolvency Governance and Reforms in Malaysia and its Impact on Creditors in 2002, and Corporate Financing in Malaysia and Australia in 2007.

2. Y. Bhg. Dato' Sri Abu Kassim Mohamed

Dato' Seri Abu Kassim has been the Chief Commissioner of MACC since 1 January 2010. He was appointed as ACA Investigation Officer in 1984 and was Intelligence Officer from 1985 to 1987. He was State Director of Perak, Penang and Director of the Malaysia Anti-Corruption Academy (MACA). He also held the post of Chief Integrity Officer at Amanah Raya Berhad. He was Deputy Director General I of ACA from June 2007 to 31 December 2008 and was appointed as Deputy Chief Commissioner, MACC, on 1 January 2009.

Report on Enforcement Initiatives (cont'd)

3. **Y. Bhg. Datuk Idris Abdullah**

Datuk Idris Abdullah is a Senior Partner of Idris & Co. Advocates and an advisor to several companies in Sarawak which are engaged in building and construction, motor trading, as well as recreational clubs and educational institutions.

4. **Mr Chen Voon Hann**

Mr Chen is the Managing Partner of CAS & Associates and the CEO of CAS International. He is a member of various professional bodies including MIA, ACCA, MIT and IIA. His academic achievement includes an MBA from the University of Strathclyde, UK. He is currently sitting in the MIA Council as well as the ASEAN Federation of Accountants.

5. **Y. Bhg. Datuk Ali Abdul Kadir**

Datuk Ali is a Chairman of the Financial Reporting Foundation Malaysia and is an Independent Non-Executive Chairman of Microlink Solutions Berhad. He was the Senior Advisor of Ernst & Young Malaysia till 31 December 2005. Prior to that, he was the Chairman of the Securities Commission. Datuk Ali is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), and a member of the MICPA. He is currently the Honorary Advisor to ICAEW Malaysia, an Honorary Fellow of the Institute of Chartered Secretaries and Administrators (UK) and an Honorary member of the Malaysian Institute of Directors and Adjunct Professor in University of Malaya.

6. **Mr Wong Wing Seong**

Head of Advisory of BDO Binder Malaysia and specializes in Corporate Finance and Restructuring.

7. **Y. Bhg Dato' Azmi bin Ariffin (Ex-Officio)**

Current CEO of the Companies Commission of Malaysia. Has served in various capacities and had held numerous legal positions in the Government. His last post before assuming his new position as the Chief Executive Officer of SSM was as Head of the Commercial Crime Unit at the Attorney General's Chambers, Putrajaya.

INTERNATIONAL PROGRAMMES

The year 2010 saw COMTRAC venturing into international-level events. On 22–24 June 2010, SSM in association with the Centre for International Documentation on Organised and Economic Crime (CIDOEC), United Kingdom had successfully organized the inaugural Regional Cambridge International Symposium on Economic Crime in Kuala Lumpur. This Symposium was a project under Strategic Thrust 5 of SSM's Second Strategic Direction Plan (SDP II) to introduce the Cambridge International Symposium on Economic Crime as a chapter for relevant stakeholders in the East-Asia region.

The Symposium covered wide ranging areas on matters relating to:

- Corporate Governance and Directors' Responsibility
- Corporate Misfeasance & Accountability
- Internal Audit Functions in times of crisis
- Insiders and conflicts of fiduciary duties
- Corruption and self-dealing
- Integrity of corporate financial reporting and other corporate information

Report on Enforcement Initiatives (cont'd)

- Fraud controls and establishment of whistle blowing framework
- Enforcement of integrity, and
- Strengthening of related legal framework.

The Symposium was officiated by the Honourable Prime Minister of Malaysia, Dato' Sri Mohd Najib Tun Abdul Razak. Among the distinguished speakers were the former Prime Minister of Malaysia, the Honourable Tun Dr. Mahathir Mohamad; the Honourable Dato' Sri Ismail Sabri Yaakob, Minister of Domestic Trade, Co-operatives and Consumerism, Malaysia; Dato' Azmi Ariffin, Chief Executive Officer, Companies Commission of Malaysia; Tun Zaki Tun Azmi, Chief Justice of Malaysia; Professor Barry A.K. Rider, Director and Co-Chairman of the Centre for International Documentation on Organised and Economic Crime (CIDOEC), United Kingdom; Lord Davison of Glen Clova QC (Advocate General of Scotland); Tan Sri Abdul Gani Patail, Attorney General of Malaysia; Michael Ashe QC (UK & Eire), Recorder of the Crown Court of England and Wales, United Kingdom; Dato' Idrus Harun, Solicitor General of Malaysia; Dato' Sri Abdul Wahid Omar, President and CEO of Maybank Group, Malaysia; Dato' Abu Kassim Mohamed, Chief Commissioner, Malaysian Anti-Corruption Commission; Mohammad Faiz Azmi, Chairman, Malaysian Accounting Standards Board; Prof. Dr. Aishah Bidin, Dean of Law Faculty Universiti Kebangsaan Malaysia; Datuk Idris Abdullah, Commission Member, Companies Commission of Malaysia; Datuk Ali Abdul Kadir, Chairman of the Financial Reporting Foundation, Malaysia; Sir Kenneth Warren, Consultant, former Chairman, Select Committee on Trade and Industrial, House of Commons, United Kingdom; G. Philip Rutledge, Partner, Bybel Rultledge, LLP, United States of America; Stefan Gannon, General

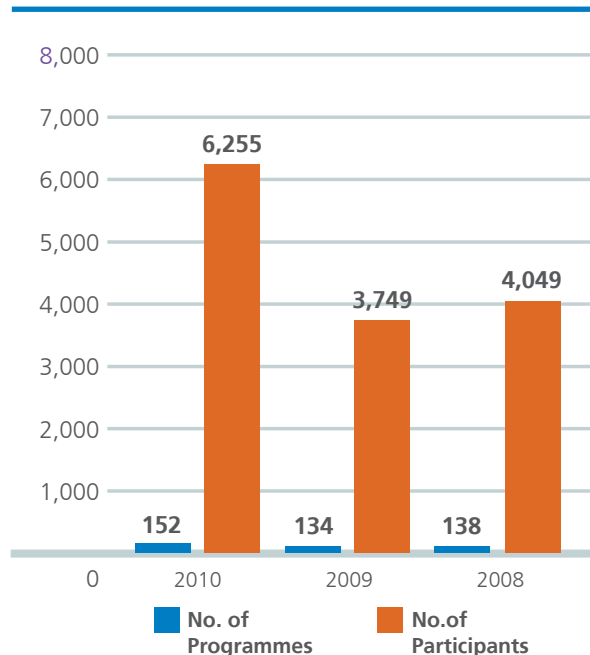
Counsel / Executive Director, Hong Kong Monetary Authority and Professor J.J. Johan Henning, Dean of Faculty of Law, University of the Free State, Republic of South Africa.

The Symposium, which was attended by 342 delegates comprising domestic and international participants, was endorsed by Bursa Malaysia Berhad, Labuan Financial Services Authority (LOFSA), the Malaysian Anti-Corruption Commission (MACC) and 12 other supporting bodies comprising professional bodies, trade associations and government agencies.

CORPORATE DEVELOPMENT SECTION

In 2010 a total of 6,225 participants took part in 152 public programmes, compared to 134 programmes conducted and 3,749 participants in 2009. The graph below shows the number of participants from 2008 to 2010.

Number of Programmes and Participants from 2008 to 2010



Report on Enforcement Initiatives (cont'd)

Overall Corporate Programmes for 2010

Programme Categories	Number Of Programmes	Number Of Participants
SSM International Symposium 2010	1	342
1-Day Corporate Directors Training Programme	11	157
2-Day Corporate Directors Training Programme	4	68
Licensed Secretaries Training Programme	60	3,157
SSM Directors Series	3	58
SSM Company Secretaries Series	13	260
SSM Company Law Series	6	132
SSM Finance Series	3	27
SSM SME & Business Enterprise Series	1	5
SSM Corporate Governance & Enforcement Series	1	12
SSM Free E-Lodgement Briefing	22	628
SSM Collaborations	10	921
In-House Seminars	17	488
TOTAL	152	6,255

Corporate Directors Training Programme (CDTP)

This year, COMTRAC had successfully organized eleven 1-Day Corporate Directors Training Programmes for 157 participants and four Two-Day Corporate Directors Training Programmes for 68 participants.

Licensed Secretaries Training Programme (LSTP)

In conjunction with the implementation of the SSM Continuing Professional Education (CPE)

programme, a total of 60 LSTPs (Levels 1 to 3) were conducted. It was attended by a total of 3,157 participants.

Customized External In-house Training Programmes

Requests from various organizations to conduct in-house programmes for their board of directors and officers were encouraging. A total of 17 customized in-house programmes were conducted for 488 participants for the following organizations:

Report on Enforcement Initiatives (cont'd)**External In-House Training Programmes in 2010**

Programme Title	Organisation
Implications Of The Companies (Amendment) Act 2007 On Companies and Directors	GAMUDA Berhad
Corporate Directors Training Programme	Rubber Industry Smallholders Development Authority (RISDA)
Licensed Secretaries Training Programme (Level 1 - 3)	MMC Corporation Berhad
Insight on Voluntary Winding-Up, Registration of Documents for Court Winding-Up & Striking-Off	Rimbun Corporate Advisory Services
Appreciating Financial Statements for Non-Accounting Personnel	Malaysian Industrial Development Authority
2-Day Corporate Directors Training Programme	International Islamic University Malaysia
Implications Of The Companies (Amendment) Act 2007 On Companies and Directors	Malaysian Biotechnology Corporation Berhad
2-Day Corporate Directors Training Programme	Malaysian Directors Academy (MINDA)
Advanced Company Secretarial Practice: Examining Critical Company Secretarial Issues @ Boardroom	Equity Trust
2-Day Corporate Directors Training Programme	Perbadanan Kemajuan Negeri Kedah (PKNK)
Corporate Training Programme	Institut Pengurusan Dan Integriti Negeri Kedah Darul Aman (INSPIN)
Corporate Directors Training Programme	Bank Pembangunan Berhad
2-Day Corporate Directors Training Programme	Malaysian Directors Academy (MINDA)
Understanding Compliance Requirements Under Companies Act 1965 & Registration of Businesses Act 1956	Ministry of Finance (MOF)
2-Day Corporate Directors Training Programme	Perbadanan Hal Ehwal Bekas Angkatan Tentera (PERHEBAT)

Report on Enforcement Initiatives (cont'd)

Collaborations with Professional Bodies/Organisations

In 2010, COMTRAC reached out to wider pool of stakeholders by its collaborations with the Institute of Internal Auditors Malaysia (IIAM), the Malaysian Institute of Chartered Secretaries

and Administrators (MAICSA), the Institute of Approved Company Secretaries (IACS), Universiti Kebangsaan Malaysia (UKM), Bursa Malaysia and the Malaysian Institute of Integrity (IIM) to conduct the following training programmes which were attended by 921 participants. The details of programmes conducted are listed in the table below.

Collaborations with Professional Bodies/Organisations in 2010

Date	Programme Title	Venue
28-Jan	SSM-IACS Roadshow on Voluntary Winding-Up, Registration of Documents for Court Winding-Up & Striking-Off Application and Its Procedures	Seri Pacific, Kuala Lumpur
10-Mar	SSM-IACS Roadshow on Voluntary Winding-Up, Registration of Documents for Court Winding-Up & Striking-Off Application and Its Procedures	Mutiara Hotel, Johor Bahru
18-Mar	SSM-IACS Roadshow on Voluntary Winding-Up, Registration of Documents for Court Winding-Up & Striking-Off Application and Its Procedures	Traders Hotel, Penang
7-Apr	SSM-IACS Roadshow on Voluntary Winding-Up, Registration of Documents for Court Winding-Up & Striking-Off Application and Its Procedures	Tower Regency Hotels & Apartment, Ipoh
13-Apr	SSM-IACS Roadshow on Voluntary Winding-Up, Registration of Documents for Court Winding-Up & Striking-Off Application and Its Procedures	Grand Margerita Hotel, Kuching
22-Sep	COMTRAC-MAICSA Roadshow	International Room, Menara SSM@Sentral
5-Oct	COMTRAC-IACS Roadshow	Johor Bahru
19 & 20 Oct	Tunku Ja'afar Law Conference-International Conference on Corporate Governance & Corporate Responsibility (UKM & SSM)	Level 13, Menara SSM@Sentral
29-Oct	COMTRAC-MAICSA Roadshow	Penang

Report on Enforcement Initiatives (cont'd)

Non-Revenue Generating Programmes

As part of SSM's efforts towards the promotion of corporate responsibility, COMTRAC continues to provide free training to educate the public and encourage fresh graduates, unemployed graduates of institutions of higher learning and would-be entrepreneurs which aims at encouraging them to venture into business. In 2010, COMTRAC sent its representatives to speak on the topic of 'Start Your Own Business: Registration of Business and Incorporation of Companies' and other related topics at 67 events organized by the various organizations. These events were attended by 2,409 participants.

COLLABORATION PROGRAMME WITH ENFORCEMENT OFFICE

This year COMTRAC collaborated with SSM's Enforcement Office to organize the 2nd Enforcement Conference 2010 with the theme 'Leveraging Enforcement Resilience through Inter-Agency Collaborations' at Parkroyal Hotel, Penang, from 25–28 October 2010. This conference benefited 103 enforcement officers of SSM and 7 officers from other enforcement agencies such as the Ministry of Domestic Trade, Co-operatives & Consumerism, the Inland Revenue Board of Malaysia, Bank Negara Malaysia and the Co-operatives Commission of Malaysia. Among the topics covered were Commercial Fraud, Effective Surveillance, Inter-Agency Collaboration and Co-operation in the Investigation Perspective, Roles of Cyber Security in Combating Modern White-Collar Crimes and Joint Prosecution in Commercial Crime Cases.

REPORT ON STAKEHOLDERS' ENGAGEMENTS, COLLABORATIONS, AND LAW REFORM



REPORT ON STAKEHOLDERS' ENGAGEMENTS, COLLABORATIONS AND LAW REFORM

Stakeholder Engagement

In support of the Government's agenda of achieving a thriving and modern economy that is networked with all major global markets, SSM believes in maintaining a good collaborative network with stakeholders. Encouraging direct stakeholder engagement through formal discussions with business groups has allowed SSM to play the role of a responsive regulator that is open to new ideas and caters to the evolving needs of stakeholders.

Good stakeholder management has enabled SSM to keep abreast of changes in the dynamic business and regulatory environment and promote understanding among stakeholders on SSM's activities, goals, core values, policies and services. Apart from soliciting ideas and views towards further enhancing public service delivery, various activities have also been implemented to engage the public on inculcating the practice of good corporate governance, deliberating on issues pertaining to the Companies Act 1965 and its subsidiary legislations, and the importance of compliance with rules and regulations. They are as follows:

The Corporate Practice Consultative Forum

The Corporate Practice Consultative Forum (CPCF) was introduced in 2005 with the objective of promoting greater co-operation between SSM, members of prescribed bodies, company secretarial associations and invited organizations whose members are involved in company secretarial practices. The CPCF membership comprises:

- (a) The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
- (b) Malaysian Institute of Accountants (MIA)
- (c) The Malaysian Institute of Certified Public Accountants (MICPA)

- (d) The Malaysian Bar
- (e) Malaysian Association of Company Secretaries (MACS)
- (f) Institute of Approved Company Secretaries (IACS)
- (g) Malaysia Corporate Counsel Association (MCCA)
- (h) The Advocates Association of Sarawak
- (i) Sabah Law Association, and
- (j) Government-linked companies (GLCs) [represented by Khazanah Nasional Berhad and Bumiputera Commerce Holdings Berhad].

In 2010, SSM organised three CPCFs namely CPCF 1/2010 on 14 January 2010, CPCF 2/2010 on 6 April 2010 and CPCF 3/2010 on 9 August 2010. These forums have had a positive impact on the targeted groups.

- Organizing the CPCF in East Malaysia was largely in recognition of the need for SSM to engage its stakeholders in these two states. SSM's move is consistent with the Government's 1Malaysia concept and helps to clear the misconception that SSM's attention is only focused on matters faced by companies and stakeholders in Peninsular Malaysia.
- SSM has also leveraged on the CPCF as a '2-way traffic platform' to update its stakeholders on new products, policies and projects such as the MyCoID. Consultation on the LLP Bill, efforts to create awareness on the SSM CR Agenda and various corporate governance related issues have also been put forward on this platform.

Report on Stakeholders' Engagements, Collaborations and Law Reform (cont'd)

SSM Annual Dialogues in Kuching and Kota Kinabalu

The SSM Annual Dialogue was introduced in 2005 and remains one of the primary ways for SSM to engage its stakeholders in an open discourse.

The main objectives of the Annual Dialogue are:

- (i) promote understanding and a closer relationship between SSM, and the industry and professional bodies
- (ii) exchange ideas and clarify matters pertaining to operational issues which in turn, will enhance the overall efficiency of SSM, and
- (iii) disseminate information to stakeholders and the public to ensure that they fully comprehend the functions of SSM as the enforcing body of all related legislation.

SSM's Annual Dialogues for 2010 were successfully held on 2nd and 3rd December 2010 in Kuching, Sarawak and Kota Kinabalu, Sabah respectively. These Dialogues succeeded in attracting 250 participants (130 in Sarawak and 120 in Sabah) from various professional bodies, Chambers of Commerce, Industrial Associations and other government agencies from both states. Both Dialogues were officiated and chaired by the Deputy Chief Executive Officer (Operations), with the members of SSM's Executive Management serving as panelists.

The dialogues consisted of two sessions. In the first session three presentations were delivered. Puan Nor Azimah Abdul Aziz, Director of Corporate Development & Policy Division, delivered the first presentation on 'Analysis of the 2011 World Bank Ranking on Starting of Business in Malaysia'. For the second presentation, SSM had invited the representative from the United Nations Children's

Fund (UNICEF), Ms. Maya Fachrani Faisal, Senior Social Policy Specialist of UNICEF, to share UNICEF's view on their 'Get on Board Campaign' and the 'Toolkit on How to Set up a Child Care Centre at the Workplace'. The final presentation was delivered by Encik Azryain Borhan, Senior Vice President, Special Innovation Unit, Prime Minister's Office (UNIK), entitled 'Innovation: A Perspective'.

The second session focused on issues raised by the stakeholders. The issues, feedback and suggestions received in both sessions will be given due consideration in SSM's quest to render better services to the stakeholders.

39th United Nations Commission on International Trade Law (UNCITRAL) Working Group V (Insolvency Law) Meeting (Vienna, 6–10 December 2010)

In 2010, SSM was again a member of the Malaysian delegation to the 39th session of the United Nations Commission on International Trade Law (UNCITRAL) Working Group V Meeting on Insolvency Law, held from 6–10 December 2010 in Vienna, Austria. Following the adoption of the Practice Guide on Cross-Border Insolvency Cooperation by UNCITRAL, the Working Group V was further mandated by UNCITRAL to develop and provide guidance on these new insolvency topics:

- (i) The interpretation and application of selected concepts of the UNCITRAL Model Law on Cross-Border Insolvency relating to Centre of Main Interest (COMI)
- (ii) Directors' responsibilities and liabilities in insolvency and pre-insolvency cases, and
- (iii) Judicial materials on the UNCITRAL Model Law on Cross-Border Insolvency.

Report on Stakeholders' Engagements, Collaborations and Law Reform (cont'd)

The current increase in cross-border trade and investment show that business is now being conducted on a global basis. This has led to scenarios where companies may have assets and interests in more than one country, and that may become the subject of an insolvency proceeding. This calls for cross-border cooperation and coordination in the supervision and administration of an insolvent company's assets. These efforts have the potential to significantly improve the chances of rescuing financially troubled companies.

SSM's participation in the 39th meeting of the UNCITRAL Working Group V (Insolvency Group) is indicative of our continuous efforts to support the Government in providing effective, simplified and modern legal infrastructure in the area of insolvency to ensure that closure and reorganization of business mechanisms in Malaysia are on par with international standards.

Corporate Registers Forum 2010

The Corporate Registers Forum (CRF) is an international not-for-profit organization for administrators of corporate and securities registers. The CRF meets once a year for an annual conference. This forum provides an opportunity for members to reflect on, and share, their experiences, as well as gain new ideas and knowledge. The CRF also holds its Annual General Meeting as part of each conference, where the Executive Committee for the coming year is elected. There are currently 36 member countries from the Asia Pacific, Europe, African and South American continents, the latest being the Junta Comercial do Estado do Rio de Janeiro of Brazil.

Malaysia, being a Charter member, has been actively involved in the organization having attended the past six conferences held at various locations around

the world. SSM sent a three-member delegation to the CRF 2010 which was held in Mauritius and hosted by the Companies Division of the Ministry of Finance and Economic Empowerment, Republic of Mauritius. The Forum was held from 19–23 April 2010 with the theme being 'The Integrity of Corporate Registers'. The theme was inspired by the need for better governance of information for the benefit of users of company registries. The conference offered members the opportunity to discuss issues on data integrity, including issues pertaining to name approvals, company hijacking via the register and methods for preventing fraud on the register.

Policy Statements for New Companies Bill

SSM initiated its review of the corporate legal framework as early as 2003 with the establishment of the Corporate Law Reform Committee (CLRC) to spearhead the review of the Companies Act 1965 (CA). A total of 12 consultative documents were issued by the CLRC to obtain feedback from the public with the objective of modernising the CA 1965.

As a result of the consultation process, the Final Report of Review of the Companies Act 1965 by the CLRC was submitted to the Commission in October 2008. The Final Report contains 188 recommendations towards creating a robust and dynamic corporate legal framework in Malaysia.

Upon consideration by the Commission, a total of 184 recommendations were accepted and subsequently formulated into 19 policy statements to be used as the basis for the drafting of the new Companies Bill. These policy statements were endorsed by the Cabinet on 18 June 2010.

Report on Stakeholders' Engagements, Collaborations and Law Reform (cont'd)

The salient points of the policy statements are as follows:

Policy Statement 1:

Modernizing the Companies Act by:

- Introducing a new legal framework applicable to all companies
- Simplifying laws and procedures for companies based on private/public distinction, and
- Removing obstacles and facilitating the growth of private companies.

Policy Statement 2:

Facilitating and modernizing entrance into the corporate sector by:

- conferring companies with full capacity of a natural person. This would confer unlimited capacity to companies which would lead to the abolition of the doctrine of constructive notice or the dispensation of the object clause of companies
- introducing the concept of a single member company
- simplifying name approval process and making the process of name reservation optional
- introducing a single incorporation template
- replacing the requirement for statutory declaration with statement of compliance for incorporation purposes

- making the requirements for certificates of incorporation and company seals optional, and
- leveraging on the advent of ICT for the purposes of incorporation and lodgements.

Policy Statement 3:

Migration to no par value regime.

Policy Statement 4:

Facilitating the management and restructuring of the company's share composition by:

- introducing alternative procedures for the reduction of capital, and
- reforming the policies relating to share buyback and financial assistance through the introduction of solvency tests.

Policy Statement 5:

Simplifying and facilitating internal decision making process by:

- removing the mandatory requirement for private companies to hold Annual General Meeting
- restructuring the policies pertaining to written resolution procedures for private companies towards abolishing the rule of unanimity in passing written resolutions
- simplifying and clarifying the rules relating to meeting procedures

Report on Stakeholders' Engagements, Collaborations and Law Reform (cont'd)

- lifting the prohibition on person(s) who can be appointed as proxies and facilitating the affairs of proxies during general meetings
- liberalizing the modes of voting during general meetings through the recognition of best practices, and
- reducing the required threshold for the purpose of convening/requisitioning of general meetings.
- requiring any payment for loss of office of directors of public companies to be approved by disinterested members
- clarifying the rules relating to exemption and indemnification of directors' and officers'/ auditors' liability, and
- enhancing the rules relating to disqualification of directors.

Policy Statement 6:

Strengthening the corporate governance structure in relation to the affairs of the directorship of a company which include:

- the relationship between the board of directors and shadow directors
- clarifying the minimum age for directorship and abolishing the maximum age for directorship
- revising the residency requirement for directorship
- restructuring the rules pertaining to the appointment, resignation and removal of directors
- codifying the requirement for remuneration of directors of public companies to be sanctioned
- providing members the right to inspect directors' contract of service with public companies

Policy Statement 7:

Reinforcing the roles, functions and obligations of the company secretaries.

Policy Statement 8:

Establishment of a mandatory registration regime for practicing company secretaries.

Policy Statement 9:

Integrating the content of the new Companies Act with the notions and elements of corporate responsibility.

Policy Statement 10:

Enhancement of shareholders' rights and protection through:

- Clarifying the application of rules relating to oppression of members' rights
- Refining the application of statutory derivative actions, and

Report on Stakeholders' Engagements, Collaborations and Law Reform (cont'd)

- Reforming the rules relating to variations of class rights and preference shareholders.

Policy Statement 11:

Strengthening the corporate governance structure through refinement of auditors' role and responsibilities by:

- retaining the mandatory requirement for the appointment of auditor(s) for all types of companies
- introducing a new regime for the appointment of auditors for private companies in view of the proposal to lift the requirement for holding annual general meetings
- enhancing the rules relating to the resignation of auditors
- relying on industry practice for mandatory audit rotation of audit firms, and
- granting access to auditors on all communications relating to any resolutions which the company proposes to pass by way of the written resolution procedure.

Policy Statement 12:

Reaffirming the importance of audited financial statements and the timely disclosure of such information.

Policy Statement 13:

Strengthening good corporate governance practices through enhancement and refinement of rules pertaining to transactions involving directors and

substantial shareholders in the following areas:

- rules relating to substantial property transactions and persons connected with directors or substantial shareholders, and
- disclosure principles to avoid conflict of interests.

Policy Statement 14:

Simplifying, refining and expediting the winding up process by:

- shortening the time taken to wind up a company
- introducing and defining the parameters for exempt dispositions
- refining the concept of undue preference transactions
- preserving the assets of the company
- increasing the threshold for statutory amount of debts to prevent abuse by creditors
- empowering the Court to terminate winding up proceedings to ascertain the status of a company
- enhancing the roles of liquidators to facilitate the smooth process of liquidation
- enhancing the rights of creditors
- reaffirming the rules relating to preferential debts, and
- providing adequate protection to employees as unsecured creditors.

Report on Stakeholders' Engagements, Collaborations and Law Reform (cont'd)

Policy Statement 15:

Modernising the insolvency law by introducing alternative corporate rescue mechanisms for companies whose business are still viable through:

- the introduction of the concept of judicial management scheme, and
- the introduction of the concept of corporate voluntary arrangement.

Policy Statement 16:

Restructuring the concept of scheme of arrangements between a company and its creditors.

Policy Statement 17:

Refining the role of receivers/receiver managers by:

- clarifying the status and power of receivers, and
- introducing new provisions relating to liability, indemnity and priority over receiver's costs.

Policy Statement 18:

Refining the current system of registration of charges by improving the procedures and process involved.

Policy Statement 19:

Modernizing the enforcement regime by:

- introducing the concept of civil and administrative proceedings for selected types of breaches of the Companies Act alongside criminal sanctions

- criminal sanctions to be imposed against the officers responsible instead of the company, and
- refining the rules pertaining to disqualification of directors.

The proposed new Companies Bill is being drafted based on these policy statements and expected to be finalised for submission to the Attorney General's Chambers in 2011.

During the drafting stage of the proposed new Companies Bill, SSM engaged and will continue to engage selected stakeholders in ensuring that the Bill will remain contemporary and relevant with the present business environment.

Proposed Limited Liability Partnership Bill

The proposal to introduce limited liability partnership (LLP) as an alternative business vehicle in Malaysia is based on the understanding that it will promote entrepreneurship and ease of doing business. The introduction of LLP will complement existing forms of business vehicles, namely the company, sole proprietorship and partnership.

Following feedback and comments received from public consultations and roundtable discussions, the LLP Bill was finalized and submitted to the Attorney General's Chambers for approval in 2010.

The LLP Bill is expected to be tabled in Parliament in 2011.

CORPORATE RESPONSIBILITY

With the stance that best business practices should not be left behind in the pursuit of profitability, SSM organized several activities aimed at instilling

Report on Stakeholders' Engagements, Collaborations and Law Reform (cont'd)

the concept of corporate responsibility among companies and businesses in Malaysia.

These activities were carried out in collaboration with strategic partners such as the United Nations Children's Fund (UNICEF), Universiti Kebangsaan Malaysia (UKM) and the Malaysian Institute of Integrity (IIM). These collaborative linkages were established pursuant to the SSM Corporate Responsibility Agenda, which carries four main objectives:

- 1) To nurture the culture of corporate responsibility in the Malaysian business environment
- 2) To encourage all companies to strive for equilibrium in the quest for profitability and create a sustainable living environment
- 3) To inculcate among Malaysian corporate players a culture that values and recognizes all corporate responsibility initiatives as creating a premium for companies and businesses, and
- 4) To pursue and propagate the concept of corporate governance in a more holistic manner.

Collaboration with UNICEF

A Memorandum of Understanding (MoU) between SSM and UNICEF was executed on 28 January 2010 with the aim of protecting the welfare, and enhancing the well being, of children in Malaysia through the promotion of corporate responsibility initiatives among the corporate and business community. The MoU's areas of focus include:

- 1) promoting a greater awareness of child rights issues in Malaysia

- 2) encouraging 'child friendly' business practices covering the work place, community and the environment
- 3) promoting philanthropic/community-based activities focusing on marginalized children, and
- 4) promoting research and development towards creating innovative solutions for children.



Report on Stakeholders' Engagements, Collaborations and Law Reform (cont'd)

On the day the MoU was executed, SSM and UNICEF also launched the inaugural issue of the Best Business Practice Circular 1 of 2010 (BBPC) which focuses on establishing child care centers at the work place. The BBPC contains general guidelines for corporate and business employers on setting up child care centers at the work place for their employees. It sets out the legal and regulatory framework, the options available and the major principles of child care.

To complement the BBPC, SSM and UNICEF jointly released a tool-kit entitled 'How to Set Up a Child Care Centre at the Work Place'. The tool-kit was launched by YAB Datin Paduka Seri Rosmah Mansor on 9 November 2010 at Menara SSM@ Sentral in the presence of YBhg Dato' Sri Ismail Sabri bin Yaakob, Minister of Domestic Trade, Co-operatives and Consumerism, and Mr. Hans Olsen, UNICEF's Representative to Malaysia and Special Representative to Brunei Darussalam.

This tool-kit provides detailed information on how to set up a child care centre at the work place and includes guidelines on the following areas:

- 1) Placing the best interests of the children first
- 2) Recruitment of qualified staff
- 3) Importance of having child-centered programmes and curriculum
- 4) Need for staff performance monitoring
- 5) Need for human resource management
- 6) Financial resources, and
- 7) Registration procedures.

At the launching ceremony, SSM also accorded recognition to four companies for their initiative in establishing a child care centre for their employees.

They were Kein Hing Industry Sdn Bhd, MK Land Holdings Berhad, Proton Holdings Berhad and Sime Darby Berhad. These companies were selected by SSM and UNICEF based on the following criteria:

- 1) The child care centers have complied with:
 - a) the law governing the establishment of child care centers, ie the Child Care Centre Act 1984, and
 - b) the basic corporate governance requirements provided under the Companies Act 1965
- 2) They operate on the principle of the child's best interest, and in line with the philosophies and recommendations of the BBPC.

Collaboration with the Malaysian Institute of Integrity (IIM)

This year, SSM and IIM conducted a series of joint forums on corporate responsibility and corporate integrity largely aimed at a instilling a better understanding of corporate responsibility and corporate integrity among small and medium enterprises.

The SSM-IIM Corporate Responsibility and Corporate Integrity Forum was first conducted on 18 March 2010 in Kuala Lumpur for stakeholders in Malacca, Negeri Sembilan, Johor and Selangor. It was officiated by SSM's CEO, Dato' Azmi bin Ariffin and IIM's President, Datuk Dr. Mohd Tap bin Salleh. Themed 'Beyond Compliance – Towards SME and SMI Excellence in the 21st Century', the invited speakers spoke on 'Corporate Responsibility in the 21st Century', 'SME & SMI Corporate Integrity System: The Case for Action' and 'The Role of Professional Ethics and SME & SMI Business Excellence'.

Report on Stakeholders' Engagements, Collaborations and Law Reform (cont'd)

The second forum was held in Penang on 16 July 2010 and directed at stakeholders in Kedah, Perak and Perlis. Invited speakers spoke on 'Corporate Responsibility in the 21st Century Business Environment' and 'Corporate Integrity System and Professional Ethics'.

Collaboration with Universiti Kebangsaan Malaysia (UKM)

SSM and UKM executed an MoU on 30 June 2009 aimed at promoting and conducting studies on the subject of corporate governance and corporate responsibility. Pursuant to the execution of the MoU, SSM and UKM jointly organized the Tuanku Ja'afar Law Conference 2010 entitled 'International Conference on Corporate Governance and Corporate Responsibility' on 19 and 20 October 2010 at Menara SSM@Sentral. The Chancellor of UKM, Yang Dipertuan Besar Negeri Sembilan, DYMM Tuanku Muhriz ibni Almarhum Tuanku Munawir officiated the conference while Professor Lynn A. Stout and Professor Paul Hastings of Corporate and Securities Law from the School of Law, University of California, Los Angeles delivered a thought provoking keynote address on 'Corporate Governance: New Thinking in the wake of the BP Oil Disaster'.

A series of lectures on corporate governance and corporate responsibility were conducted throughout the conference. More than 30 working papers were delivered on the following themes and topics:

- 1) Directors' Duties & Liabilities
- 2) Whistle-blowing & the Law
- 3) Prevention of Fraud and Due Disclosure
- 4) Corporate Responsibility & Consumer Protection and Corporate Responsibility & Issues on Human Rights

- 5) Corporate Responsibility & Corporate Legislation and Corporate Responsibility & Syariah
- 6) Corporate Responsibility & Corporate Ethics and Ethical Practices
- 7) Empowering Shareholders' Rights, Relationship between Company & Stakeholders and Investor Protection
- 8) Corporate Responsibility & Environmental Protection and Corporate Responsibility & Sustainable Development
- 9) Corporate Responsibility & Corporate Governance
- 10) Issues Relating to Information Communication & Technology
- 11) Insolvency and Restructuring Issues, and
- 12) Financing Reporting and Auditing Issues.

The conference attracted a total of 193 participants including delegates from India, Australia and Indonesia.

Currently, SSM and UKM are in the midst of finalizing a survey (to be released nationwide) that is designed to measure the understanding and practice of corporate responsibility among companies in Malaysia. The results from this survey will serve as an important indicator to SSM on the level of corporate responsibility being practiced in Malaysia.

2010 PROMOTIONAL INITIATIVES OF SSM

In 2010 SSM adopted a more aggressive approach in its promotional and corporate communications activities by targeting stakeholders and youth, especially university students.

Report on Stakeholders' Engagements, Collaborations and Law Reform (cont'd)

Your Business Begins at SSM

SSM, in collaboration with Universiti Kuala Lumpur (UniKL), organized a three-day programme, 'Your Business Begins at SSM' from 27–29 January 2010 at UniKL's main campus in Kuala Lumpur. The concept behind this programme was drawn from SSM's outreach programme — which has been carried out since 2006 — and was intended to give the general public a clearer view and understanding of SSM's role and functions.

Besides increasing the level of awareness on how to set up a company or business, one other major objective of the programme was to reiterate to university students and the general public that every business set up begins at SSM. The programme also focused on providing explanation and assistance in registering a business and incorporating a company. This knowledge is perceived as important in cultivating interest among university students to pursue business as a career option upon graduation. At the event, the Minister of Domestic Trade, Co-operatives and Consumerism, YB Dato' Ismail Sabri Yaakob, launched the tagline '*Perniagaan Anda Bermula di SSM*' or 'Your Business Begins at SSM' as part of SSM's branding initiative.

As a follow-up to the efforts of providing a better understanding on the mandatory requirements for starting a business and the need for business know-how among university students, UniKL has developed a new programme, '*Pertandingan Perniagaan Antara Institusi Pengajian Tinggi Malaysia 2010*'. This competition saw a total of 106 teams representing various public and private institutions of higher learning — UMS, USM, UNIZA, UMT, UUM, UIA, UNIMAS, UniRAZAK, KLMU, Kolej MARA and UniKL— pit their business skills and knowledge against each other from 13–21 December 2010.

MyCoID

Company incorporations and registration with participating agencies can now be done simultaneously with the introduction of the MyCoID gateway. Members of the public — through their company secretaries — may do so by simply logging in to the MyCoID portal and filling in the relevant information on company incorporation. The details will then be transmitted to SSM, the Inland Revenue Board of Malaysia (IRBM), the Employees Provident Fund (EPF), the Social Security Organisation (SOCSO), the Human Resources Development Fund (HRDF) and the Small and Medium Enterprise Corporation (SME Corp), simultaneously and automatically.

The development of this system reduces the time frame, number of procedures and cost of starting a business in Malaysia as the public are now no longer required to move from one agency to another for registration purposes. Instead, they can utilize the single-point transaction and payment system.

This system has a two-fold advantage: it will not only be beneficial to the consumer, but will result in the improvement of the public service delivery system. This is because it facilitates efficient interaction among government agencies through the exchange of information, supply of input, verification and updating of data.

The creation of the MyCoID system is part of the government's ongoing efforts in providing the general public with the best possible service. It was on this basis that the Ministry of Domestic Trade, Co-operatives and Consumerism (MDTCC) and SSM, in collaboration with other relevant agencies, had been given the responsibility of developing the MyCoID system over two phases.

The first phase of the MyCoID project was successfully launched by the Prime Minister of Malaysia, YAB Dato' Sri Mohd Najib Bin Tun Haji Abdul Razak on

Report on Stakeholders' Engagements, Collaborations and Law Reform (cont'd)

11 February 2010. The first phase seeks to introduce the MyCoID as a corporate identity number that can be used as a single reference number for registration purposes and transactions by relevant government agencies.

The success of the first phase provided the impetus for MDTCC, SSM and related agencies to expedite the development of the system gateway, eventually launched by the Minister of Domestic Trade, Co-operatives and Consumerism, YB Dato' Sri Ismail Sabri Bin Yaakob, on 3 November 2010.

MDTCC and SSM plan to expand the use of this system to include other government agencies in line with expectations outlined in the Prime Minister's 2010 budget speech recently. Further plans to set up MyCoID kiosks to facilitate the public in matters relating to the incorporation of a company are also in the pipeline.

Launching Ceremony of Menara SSM@Sentral

On 29 July 2010, the Minister of Domestic Trade, Co-operatives and Consumerism, YB Dato' Sri Ismail Sabri bin Yaakob, officially launched the new SSM headquarters, Menara SSM@Sentral, located at No. 7, Jalan Station Sentral 5, Kuala Lumpur Sentral.

The launch is an indication of SSM's steady rise over the years — since its establishment in 2002 — culminating in the acquisition of its own building in 2010. SSM's employees began to gradually occupy the new building from early January 2010, and Menara SSM@Sentral became fully operational in March 2010.

Menara SSM@Sentral is strategically located in the heart of Kuala Lumpur and can accommodate up to 300 customers daily. The new office is targeted at servicing the business community and corporate

people who live in the Klang Valley. Given its location within of an efficient public transportation system, more people are expected to utilize the services offered by SSM, including the various facilities provided such as prayer rooms, the canteen, hall, auditorium and ample parking lots.

As part of its corporate responsibility initiative, SSM also provides nurseries and a crèche for the children of SSM employees. Nurseries are located on the 1st floor of the building to better serve working parents. SSM is confident that the child care centre will provide a conducive environment for parents to monitor and communicate with their children.

Undoubtedly, the launch of Menara SSM@Sentral is a symbol of the progress for the eight-year-old statutory body. It is well on its way towards achieving its vision of meeting the needs of the business community through efficient registration, accurate dissemination of information, and proper monitoring and advisory work. SSM also hopes to enhance the nation's economic competitiveness to attract more foreign investors into the country.

Media Engagements and Advertisements

Several media appearances and interviews were organized to disseminate key messages and to promote greater public awareness of SSM and its role, products, services and initiatives in improving public service delivery.

Year 2010 witnessed an increase in the number of appearances on the electronic media especially with the production of corporate TV advertisements as well as interview sessions with SSM's executive management. Several media appearances were arranged over radio networks such as Bernama Radio and Hot FM, and over television networks such as TV1, TV3 and TV9.

Report on Stakeholders' Engagements, Collaborations and Law Reform (cont'd)

The media coverage highlighted current issues such as Interest Schemes, Kootu Fund Schemes and SSM's 19 Policy Statements. There was also coverage on SSM's initiatives and programmes namely 'Your Business Begins at SSM', the '2010 Regional Cambridge International Symposium on Economic Crime', '1-Day Company Incorporation', MyCoID and others.

Courtesy Visits

Throughout the year, SSM received a number of courtesy visits from local and foreign counterparts as well as a series of study visits from local university students. Information provided during the visits normally focuses on introduction to SSM's functions, products and services — especially its online services — as well as its current and future initiatives in enhancing public service delivery.

Exhibitions, Outreach Programmes and Briefing Sessions

Apart from carrying out various outreach programmes, SSM also participated in various exhibitions and expositions nationwide. These include:

- JOM KE FELDA 2010 Carnival in Johor
 - Malaysia's Largest Youth Festival (YOUTH 10) at PWTC
 - SMIDEC 2010 at KLCC
 - Briefing on Corporate Governance at Bursa Malaysia
 - National Cooperative Day 2010 in Pahang
 - Women Entrepreneur Conference 2010 at Kuala Lumpur
 - International Conference on Financial Criminology by UiTM & SSM.
- 1Malaysia at Expo at PWTC
 - 1 Community 1 Cooperative Carnival organized by Cooperative Commission of Malaysia at Sungai Buloh, Selangor
 - National Entrepreneur Conference 2010 at Shah Alam
 - Investment for Entrepreneur and Private Companies Seminar 2010 at Negeri Sembilan
 - National Intellectual Property Day 2010 at Kuala Lumpur

Outreach Programmes at State Offices

The role played by SSM state offices is as important as that of the head office. The state offices are tasked with organizing outreach programmes to educate the business community on the need to register their business, provide information on duties and responsibilities of directors, secretaries and shareholders, as well as to make known the new initiatives offered by SSM.

SSM's good relationship with local authorities and municipal councils, trade associations and other enforcement agencies has enabled SSM to enlighten members of the public with regard to the functions and roles of SSM. This approach also helps to facilitate the registration of businesses and further improve on the compliance rate of companies.

STAFF DEVELOPMENT SECTION

In 2010, COMTRAC, under the Staff Development Section continued to conduct internal staff development programmes aimed at developing and enhancing SSM staff competency. A total of 73

Report on Stakeholders' Engagements, Collaborations and Law Reform (cont'd)

training programmes were successfully conducted, representing an increase of 11 additional programmes over its scheduled 62 programmes. A total of 1,814 participants attended the programmes relating to all aspects of company law, ICT, accounting, financial analysis, English writing and Labuan offshore regulations. The additional training programmes were a result of the Training Gap Analysis (TGA) 2009 findings as well as ad-hoc programmes carried out during the year.

Under the 2010 initiatives, COMTRAC introduced six new modules under the KEEP programmes on Advanced Company Law and Enforcement.

These were:

- KEEP Advanced Company Law – Insolvency Law
- KEEP Advanced Company Law – Shares & Maintenance of Capital
- KEEP Advanced Company Law – Corporate Governance
- KEEP Enforcement – Criminal & Civil Procedures
- KEEP Enforcement – Interpretation of Statute, and
- KEEP Enforcement – Evidence.

Apart from the KEEP programmes, COMTRAC also initiated four new programmes under the School of Civil Litigation, Prosecution & Investigation and School of Business & Corporate Law. They were:

- Methodology of Investigation
- Legal Opinion Writing
- Mock Trial Training (in collaboration with SSM's Prosecution Section), and

- What You Need to Know About the Regulatory Framework of Labuan FSA.

TRAINING GAP ANALYSIS 2010

In 2010 COMTRAC continued the Training Gap Analysis (TGA) survey to identify gaps in employees' technical competency and their training needs. The TGA Form (TGAF) was distributed nationwide to 458 executives compared to 440 forms in 2009.

The findings of the analysis revealed that the competency gap improved by 10% among SSM executives.

To further identify and close technical competency gaps among SSM executives, COMTRAC will tailor special training programmes to meet the needs of these employees.

Building Subject Matter Experts Based on Second Strategic Direction Plan

In line with SSM's Second Strategic Direction Plan under Strategic Thrust 6 entitled, 'Driving High Performance Culture through Capacity and Capability Building', COMTRAC successfully conducted a five-day 'Train the Trainers' programme for 18 selected SSM trainers.

Initiated as a pilot project, COMTRAC aimed to develop and equip SSM's subject matter experts (SMEs) with skills to plan and deliver effective training sessions. The trainers were awarded with a 'Certification in Training' from the Human Resources Development Fund (HRDF) at the end of the training session.

These trainers are expected to apply their expertise and knowledge in institutionalizing a knowledge sharing culture and developing many more subject matter experts within SSM.

Report on Stakeholders' Engagements, Collaborations and Law Reform (cont'd)

SSM'S RESOURCE CENTRE (RC)

The SSM Resource Centre acquired a comprehensive new resource system known as the Knowledge Management Portal (KM Portal) in 2009. As part of the KM Portal, e-Library services known as the Virtual Library System (VLIB) was developed and introduced to SSM staff in 2010. The VLIB is an online library system which provides an online catalogue of books, articles and other resources available in SSM's Library. The new system is an upgraded version of the existing library system modules and is now able to offer more value-added services to its users.

The RC has also introduced the Radio Frequency Identification (RFID) technology to replace the existing barcode system. The RFID technology with RFID Gate, RFID Strips and RFID Reader in the 3M Machine Reader allows for easy handling in terms of the checkout and borrowing process. RFID enables users to self-checkout borrowed items without the presence of a librarian by merely placing it in the dedicated compartment.

This year the RC further enriched its collection by identifying new book titles in other areas and adding on new law reports such as the Industrial Law Report, All India Report and All Malaysia Report to its collections. The numbers of books available at the RC now stands at 2,784 comprising various subjects such as company and corporation law, commercial and business-related law, the Malaysian legal system, administrative and constitutional law, human resource, accounting and finance.

The RC also provides for searches through its online service via Lexis Nexis and Current Law Journal on authoritative news, business information and legal documents. SSM's RC at Menara SSM@Sentral has a seating capacity of 70 persons, one study room, two discussion rooms and one moot court.

By 2012, it is anticipated that the Resource Centre will be a hub for information and resources not only for SSM staff but also for external stakeholders.

Overview

Nationwide, there was a 1.46% increase in SSM employees, bringing the total to 1,183 as at 31 December 2010. In view of SSM's diverse and relatively young workforce (where the average age is just below 36-years-old), the organization believes in continuously building and developing its people with the right capabilities, competencies and leadership skills to ensure continued efficiency, reliability and safety of its operations. SSM strives to provide its employees with a balanced working environment, supported by a competitive remuneration package and equal opportunities for career development, not determined by race, gender or culture. SSM provides employment opportunities to individuals who are qualified to perform the job specification, in compliance with all applicable laws and regulations. With SDP II end-states, specifically Strategic Thrust 3 and 6, SSM is optimistic that holistic streamlining of the overall organization will be achieved as some of the initiatives have already been rolled out this year.

Total Number of Employees Nationwide

Executives	195
Senior Executives	112
Heads of Unit	132
Heads of Section	52
Directors	9
Support Staff	688

Recognition

SSM recognizes and rewards its employees' experience and contributions through a performance & competence management system that has the ability to identify employees with strong performance and outstanding leadership who stand out from marginal performers who need specific development plans to improve.

Report on Stakeholders' Engagements, Collaborations and Law Reform (cont'd)

A total of 178 employees were identified for upgrading in their respective bands based on requirements stipulated in the Upgrading & Promotion Mechanism policy. SSM staffs are given the opportunity to participate in professional development for various reasons: interest in lifelong learning, a sense of moral obligation to maintain and improve professional competence, enhancing career progression, keeping abreast of new technology and practice, or to comply with professional regulatory requirements.

Talent Management

To ensure operational efficiency and service quality, it is important that SSM maintains a highly trained workforce that continues to devote its energy to the Commission. It is also important to improve workers' skills while attracting new talent that can be trained to meet supply challenges and deal with new obstacles in service delivery. They also have to be assured of a good career path to retain a big talent pool.

(a) Human Capital Training

The performance of human resources is driven by human resource development and continuous training. The SDP II project's focus on retaining excellent employees states that it is essential to ensure workers are given opportunities to develop themselves-in terms of talent, job quality and knowledge.

Staffs from all levels have been consistently reminded to increase their knowledge level and improve their skills. These two elements are seen to be the most important ingredients for producing high-performance employees and that will subsequently ensure the success of SSM.

A total of 18 staff from various positions were sent abroad to expose them to concepts of management of world class organizations. SSM also participated in various trade and investment missions with CIDOEC, PERNEC, ICFE and the Asia Business Forum which were held in several countries such as Japan, Mauritius, Singapore, Philippines, United Kingdom, United States, Bangladesh and Thailand.

Further, a total of 238 staff from various levels participated in 99 public programmes such as Corporate Insolvency and Winding Up, Maintenance Management, Drafting Effective Contracts, Strategic Fraud Investigation, CSR and Sustainability and the World Congress of Accountants.

(b) Staff Enhancement

The Human Resources Development and Training units under the supervision of the Organizational Development Section are responsible for improving staff performance through the 'Performance Enhancement Programme'. Participants of this programme are selected from the 2009 performance evaluation and are envisaged to be the future leaders. Their skills in competitive leadership are honed in by professional trainers with the aim of preparing them for a competitive work environment. In this process is also the development of soft skills to enable them to work more efficiently and competently within the organization. The 'Executive Development Management Program' will also be organized in the future for SSM's executive level staff.

Report on Stakeholders' Engagements, Collaborations and Law Reform (cont'd)

(c) Balancing Excellence

Realizing the importance of strengthening the EQ, IQ and SQ of SSM staff, a programme titled 'Balanced Excellence' has been initiated and aimed at producing individuals who are outstanding.

The programme was held in two sessions and conducted by professional trainers. The first session was held at Felda Residence Trolak, Perak, while the second session was held at Agrotek Garden Resort, Hulu Langat, involving 37 and 38 staff respectively.

(d) Attracting Talent

While it is important to maintain and train existing human resources, it is also crucial for SSM to attract experienced talent to work with SSM. With the aim of becoming the employer of choice, SSM has been proactive in organizing career fairs and career talks at institutions of higher learning (both public and private).

Participation at career fairs and talks in year 2010

No.	Venue
1	Multimedia University of Malaysia (MMU)
2	PWTC- Organised by Jobstreet
3	Universiti Teknologi MARA (UiTM)
4	Kolej Teknologi YPC-ITWEB
5	Universiti Sains Islam Malaysia (USIM)
6	University of Kuala Lumpur (UniKL)

(e) Consultative Model

A consultative model has been utilized for the Strategic Development Plan SDP II (2010–2014). The objective of this project is to transform the existing SSM organizational structure from a 'bottom heavy' structure or a transactional model, to a 'middle heavy' structure or a consultative model. The Consultative Model organizational unit has the ability to perform duties in providing consultative services and provides value-added services to the customer. This transformation involves building the capabilities of the bottom-level workforce such as support staff, and up-skilling and redeploying staff to build up the capacity and capabilities of the middle-level workforce — the managerial workforce — whose services and knowledge will be required in five years time. Advice from external consultants was sought and suitable consultants have been identified to provide recommendations on the appropriate organizational structure for SSM.

ASSOCIATION OF MBJ

SSM allows its staff to be members of associations of representative organizations consistent with applicable laws. The SSM in-house engagement session, Majlis Bersama Jabatan (MBJ), provides an avenue for collective bargaining of benefits for executive and non-executive staff.

SSM also believes that businesses have a role to play in the promotion and protection of labour rights. The organization does not, as a matter of policy and practice, allow any of its operations to be used in ways that would result in the violation of human rights or biasness against its cherished cultural or generational diversities. SSM's policies and practices

Report on Stakeholders' Engagements, Collaborations and Law Reform (cont'd)

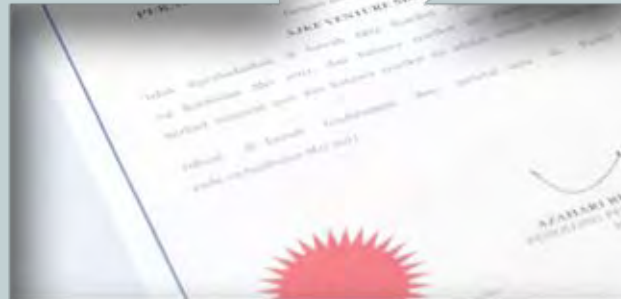
adhere strictly to the requirements of the Companies Commission of Malaysia Act 2001 (Act 614) and Statutory Bodies (Discipline and Surcharge) Act 2000 (Act 605). In 2010, two such sessions were held and among the matters discussed and approved were:

- i. the increase in out-patient medical claims from RM1,000 per family per year to RM3,000.
- ii. the salary upgrade for SSM's employees.





FINANCIAL STATEMENTS





**CERTIFICATE OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF THE
COMPANIES COMMISSION OF MALAYSIA
FOR THE YEAR ENDED 31 DECEMBER 2010**

The Financial Statements of Companies Commission of Malaysia for the year ended 31 December 2010 have been audited by my representative. These Financial Statements are the responsibility of the management. My responsibility is to express an opinion on these Financial Statements based on my audit.

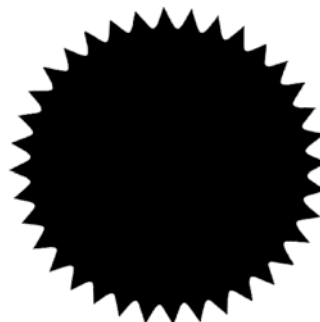
The audit has been carried out in accordance with the Audit Act 1957 and in conformity with approved standards on auditing. Those standards require an audit be planned and performed to obtain reasonable assurance that the Financial Statements are free of material misstatement or omission. The audit includes examining on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. It also includes assessment of the accounting principles used, significant estimates made by the management as well as evaluating the overall presentation of the Financial Statements. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the Financial Statements give a true and fair view of the financial position of the Companies Commission of Malaysia as at 31 December 2010 and of the results of its operations and its cash flows for the year ended in accordance with the approved accounting standards.

A handwritten signature in black ink, appearing to read 'Hjh Zaimun Bt Taib'.

**(HJH ZAIMUN BT TAIB)
b.p. KETUA AUDIT NEGARA
MALAYSIA**

**PUTRAJAYA
31 MAY 2011**



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

We, **DATUK MOHD ZAIN BIN MOHD DOM** and **DATO' AZMI BIN ARIFFIN**, being the Chairman and a member of the **COMPANIES COMMISSION OF MALAYSIA**, do hereby state that in the opinion of the Members of the Commission, the Financial Statements consisting of Balance Sheet, Income Statement, Statement of Changes in Equity and Cash Flow Statement together with the notes to the Financial Statements, are drawn up so as to give a true and fair view of the state of affairs of the **COMPANIES COMMISSION OF MALAYSIA** as at 31 December 2010 and of the results of its operations and of its cash flows for the year ended on that date.

On behalf of the Commission,

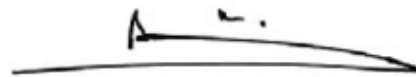


DATUK MOHD ZAIN BIN MOHD DOM
CHAIRMAN OF THE COMMISSION

Date: 30 MAY 2011

Place: KUALA LUMPUR

On behalf of the Commission,



DATO' AZMI BIN ARIFFIN
MEMBER OF THE COMMISSION

Date: 30 MAY 2011

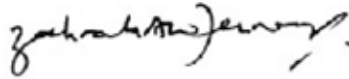
Place: KUALA LUMPUR

STATUTORY DECLARATION

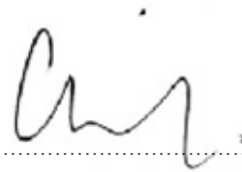
BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL
MANAGEMENT OF THE COMPANIES COMMISSION OF MALAYSIA

I, **ZAHRAH BT ABD. WAHAB FENNER**, being the officer primarily responsible for the accounting records and financial management of the **COMPANIES COMMISSION OF MALAYSIA** do solemnly and sincerely declare that the Balance Sheet, Income Statement, Statement of Changes in Equity and Cash Flow Statement together with the notes to the Financial Statements are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly)
declared by the above named)
at Kuala Lumpur in the Federal Territory on)
18 May 2011




Before me,



COMMISSIONER FOR OATHS

Lot 2.42, Tingkat 2, The Mall
100, Jalan Putra
50350 Kuala Lumpur, Malaysia
HP: 019-283 8000

BALANCE SHEET

AS AT 31 DECEMBER 2010

	Note	2010 RM	2009 RM
Non Current Assets			
Property, fittings and equipment	3	188,203,760	14,060,188
Long term investments	4	120,082,367	121,660,247
Work in progress	5	6,275,358	178,226,933
Staff financing	6	27,430,333	20,325,395
		341,991,818	334,272,763
Current Assets			
Trade debtors	7	804,531	758,455
Other debtors, deposits and prepayments	8	4,847,228	6,937,476
Staff financing	6	2,226,121	1,720,775
Short term investments	9	125,242,699	119,871,240
Inventories	10	794,680	-
Cash and cash equivalents	11	211,737,714	183,906,625
		345,652,973	313,194,571
TOTAL ASSETS		687,644,791	647,467,334
EQUITY AND LIABILITIES			
Equity			
Government grants	12	24,866,596	20,011,596
Retained earnings		433,828,865	407,333,158
Staff financing funds	13	56,000,000	56,000,000
		514,695,461	483,344,754
Non Current Liabilities			
Provision for employee benefits	14	623,954	684,747
		623,954	684,747
Current Liabilities			
Federal Consolidated Fund	15	161,432,699	156,952,560
Other creditors	16	9,836,600	5,424,831
Short term project creditors	17	1,056,077	1,060,442
		172,325,376	163,437,833
Total Liabilities		172,949,330	164,122,580
TOTAL EQUITY AND LIABILITIES		687,644,791	647,467,334

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 RM	2009 RM
Income	18	328,715,698	313,905,120
Federal Consolidated Fund	15	(161,432,699)	(156,952,560)
		167,282,999	156,952,560
Operating Expenses			
Staff costs	19	71,200,642	65,637,458
Administration costs	20	53,891,859	38,386,877
Depreciation	3	17,016,670	7,950,038
Amortization on grants received and long term investments		(3,198,319)	338,908
Loss on disposals of property, fittings and equipment		1,876,440	-
		140,787,292	112,313,281
Surplus before taxation	21	26,495,707	44,639,279
Taxation	22	-	-
Surplus after taxation		26,495,707	44,639,279

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2010

	← Capital Grants →		Accumulated Surplus RM	Staff Financing Funds RM	Total RM
	Government Grants RM	Vested Benefits RM			
Balance as at 1 January 2009	56,974,990	838,251	318,267,224	56,000,000	432,080,465
<u>Net surplus not recognised in the income statement</u>					
Amortization on grants received	-	-	-	-	-
Government grants recognised in income statement	(43,600,000)	(826,655)	44,426,655	-	-
Government grants received during the year	6,625,010	-	-	-	6,625,010
Surplus after taxation	-	-	44,639,279	-	44,639,279
Balance as at 31 December 2009	20,000,000	11,596	407,333,158	56,000,000	483,344,754
<u>Net surplus not recognised in the income statement</u>					
Amortization on grants received	(4,100,000)	-	-	-	(4,100,000)
	(4,100,000)	-	-	-	(4,100,000)
Government grants received during the year	8,955,000	-	-	-	8,955,000
Surplus after taxation	-	-	26,495,707	-	26,495,707
Balance as at 31 December 2010	24,855,000	11,596	433,828,865	56,000,000	514,695,461

Notes on pages 121 to 144 form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 RM	2009 RM
Operating activities		
Surplus before taxation	27,433,927	44,639,279
Adjustments for:		
Depreciation	17,016,670	7,950,038
Amortization on grants received	(4,100,000)	-
Amortization on long term investments	901,681	338,908
Loss from disposal of property, fittings and equipment	1,876,440	-
Profit and dividend from investments	(17,051,666)	(16,650,402)
Operating profit before changes in working capital	26,077,052	36,277,823
(Increase)/Decrease in inventories	(794,680)	-
(Increase)/Decrease in trade debtors	(46,076)	(312,379)
(Increase)/Decrease in other debtors, deposits and prepayments	2,090,248	437,136
Increase/(Decrease) in Federal Consolidated Fund	3,541,919	(488,715)
Increase/(Decrease) in other creditors	3,529,654	77,349
Increase/(Decrease) in work in progress creditors	(4,365)	(4,252,996)
Increase/(Decrease) in provision for employee benefits	(43,471)	(2,653)
Net cash generated from operating activities	34,350,281	31,735,565
Cash flow from investing activities		
Acquisition of property, fittings and equipment	(193,458,094)	(8,123,273)
Proceeds from disposal of property, fittings and equipment	384,525	-
(Increase)/Decrease in work in progress	171,951,575	(74,712,105)
Placements in investments	(3,793,579)	(81,478,209)
Profit and dividend received	17,051,666	16,650,402
Staff financing	(9,599,053)	(5,929,460)
Repayment received from staff financing	1,988,768	1,436,880
Net cash from/(used for) investing activities	(15,474,192)	(152,155,765)
Cash flows from financing activities		
Government grant	8,955,000	6,625,010
Net cash generated from financing activities	8,955,000	6,625,010
Net (decrease)/increase in cash and cash equivalents	27,831,089	(113,795,190)
Cash and cash equivalents at beginning of year	183,906,625	297,701,815
Cash and cash equivalents at end of year	211,737,714	183,906,625

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

1. PRINCIPAL ACTIVITIES

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Commission in all previous years' financial statements, unless otherwise stated.

(a) Basis of Preparation

The financial statements of the Commission have been prepared in accordance with the Malaysian Accounting Standards Board (MASB) approved accounting standards in Malaysia for private entities (Private Entities Reporting Standards).

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Although these judgements, estimates and assumptions are based on the management's best knowledge of current events and actions, actual results may differ.

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

(b) Vested Assets, Rights and Liabilities

These are all assets, rights or liabilities of the Government of Malaysia that were transferred to and vested in the Commission. They are stated after deducting all direct expenses and depreciation of the vested assets.

The vested assets, rights and liabilities are stated at fair value and are recognized in the balance sheet on the vesting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Vested Assets, Rights and Liabilities (continued)

The vested non monetary assets are amortized over their remaining useful lives. The benefit is stated as amortization on grants received in the statement of changes in equity.

(c) Property, Fittings and Equipment

Property, fittings and equipment are stated at historical cost less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Commission and the cost can be measured reliably.

Property, fittings and equipment are depreciated on the straight-line basis to write off the cost of the assets, or their revalued amounts, to their residual values over their estimated useful lives. The annual depreciation rates used are summarized as follows:

Building	2%
Building Equipment	20%
Motor Vehicles	20%
Computer and Peripherals	20% - 33 ¹ / ₃ %
Office Equipment, Furniture and Fittings	20%
Renovation	20% - 33 ¹ / ₃ %

Depreciation on property, fittings and equipment under construction commences when the property, fittings and equipment are delivered and ready for their intended use. Depreciation on property, fittings and equipment ceases at the earlier of derecognition and classification as held for sale.

Residual value and useful lives of property, fittings and equipment are reviewed, and adjusted if appropriate, at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, Fittings and Equipment (continued)

At each reporting date, the Commission assesses whether there is any indication of impairment. If such indicator 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. Refer to accounting policy Note 2(d) on impairment of assets.

Gains or losses arising from disposal of property, fittings and equipment is the difference between the net disposal proceeds and the carrying amounts of the property, fittings and equipment, and is disclosed in the income statement.

(d) Impairment of Assets

The carrying amount of property, fittings and equipment are reviewed to determine whether there are any indications of impairment. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. An impairment loss is recognized immediately as expenditure in the income statement.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognized to the extent of the carrying amount of the assets that would have been determined (net of amortization and depreciation) if no impairment loss had been recognized. All reversals are recognized immediately in the income statement.

(e) Long Term Investments

Long term investments are stated at cost and held to maturity. Provisions for diminution in value are made if permanent diminution exists.

(f) Works In Progress

Works in progress is stated at cost and capitalized as property, fittings and equipment after the certificate of completion or certificate of acceptance is received by the Commission.

(g) Staff Financing

Staff financing are stated at cost less any allowance for bad and doubtful debts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Trade Debtors

Trade debtors are stated at invoiced amount less allowance for doubtful debts. The allowance is made when there is evidence that the Commission will not be able to collect all amounts due according to the original terms of the receivables.

(i) Inventories

Inventories are stated at cost based on the supplier's invoice values.

(j) Cash and Cash Equivalent

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short term and highly liquid investments with original maturity period up to a year.

(k) Government Grants

Government grants are recognized at their fair value when there is a reasonable assurance that the grants will be received and the Commission will comply with all the stipulated conditions.

Government grants relating to expenses are recognized as income in the income statement based on a systematic approach over the period necessary to match them with the costs that they are intended to compensate.

The government grants relating to the purchase of assets are included as deferred income at fair value and recognized in the income statement based on the estimated useful lives of the related assets via equivalent installment amount.

(l) Employee Benefits

Short Term Employee Benefits

Salaries, paid annual leave and sick leave, bonuses and non monetary benefits are recognized as an expense in the period in which the associated services are rendered by the employees of the Commission.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Employee Benefits (continued)

Defined Contribution Plans

The Commission made contributions to Employees Provident Fund (EPF) for employees who have opted for EPF scheme and the Pension Trust Fund for employees who are in the Government pensionable scheme. These contributions are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Commission has no further payment obligations.

Long Term Employee Benefits

Payment for long term benefits to employees after retirement and / or after the completion of contractual services is recognized in the current year income statement as cost of employee benefits whereas in the balance sheet, such amount is recognized as a liability known as Provision for Employee Benefits.

The types of long term benefits which will be recognized are as follows:

- (i) cash rewards in lieu of annual leave; and
- (ii) gratuity paid for contractual services upon completion of services.

The computation of cash in lieu of annual leave payable to retirees as well as gratuity payment to contract staff who have completed their term of service is based on the actual information available on the balance sheet date and the eligibility based on the terms and conditions of service by the Commission. Current salary rate is used to compute these liabilities.

(m) Contributions to Federal Consolidated Fund

Contributions to the Federal Consolidated Fund represent fifty percent (50%) of the total revenue received as stipulated under section 35(1) of the Companies Commission Act 2001 (Act 614).

The computation of contributions payable to the Government is based on total gross income received during the year less any provision for doubtful debts. The contributions are accrued in the year where income is recognized.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Other Creditors

Other creditors are stated at their nominal values which are the fair value of the considerations to be paid in the future for goods and services received.

(o) Taxation

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

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

Deferred tax is computed at the tax rates applicable at the balance sheet date.

(p) Provisions

Provisions are recognized when the Commission 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 reliable estimate of the amount can be made. Where the Commission expects a provision to be reimbursed (for example under an insurance contract), the reimbursement is recognized as a separate asset but only when the reimbursement can be ascertained. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Provisions (continued)

Provisions are measured as the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specified to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

(q) Income Recognition

Income comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Commission's activities. Income is shown net of value added tax, returns, rebates and discounts.

The Commission recognizes its income when the amount can be measured reliably and, it is probable that future economic benefits associated with the item will flow to the Commission and that specific criteria have been met for each of the Commission's activities as described below:

(i) *Services Income*

Services income comprise the collection of fees related to registration of companies and businesses and supply of corporate information as prescribed under the Companies Act 1965 and the Registration of Businesses Act 1956 respectively. These incomes are recognized upon completion of services rendered.

(ii) *Compounds*

Compound is recognized upon payment received as each compound issued is only an offer with a payment period as determined by the Registrar.

Compound which is not being settled after the expiry of the payment period will be followed by prosecution in accordance with the provision of the Companies Act 1965 and Registration of Businesses Act 1956.

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

(iii) *Corporate Training Programmes*

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Income Recognition (continued)

(iv) *Interests, Dividends and Profits*

Interests, dividends and profits are recognized on a time proportion basis, taking into account the principle outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Commission.

(r) Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any assets in term of cash, contractual rights to receive cash or any other financial assets from other enterprise, contractual rights to change financial instruments with other enterprise under profitable terms or equity instruments of other enterprise.

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

The particular recognition method adopted for financial instruments recognized on the balance sheet is disclosed in the individual accounting policy statements associated with each financial instrument.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

3. PROPERTY, FITTINGS AND EQUIPMENT

	Building		Equipment		Office Equipment, Computer Furniture and Hardwares		Motor Vehicles		Renovation		Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Cost											
At 1 January 2010	-	-	8,404,406	47,673,191	6,903,284	16,512,089	79,492,970				
Additions	135,307,436	15,170,577	8,931,842	10,335,238	918,822	22,794,179	193,458,094				
Disposals	-	-	(3,538,285)	(2,800,930)	(1,300,911)	(3,225,341)	(10,865,467)				
At 31 December 2010	135,307,436	15,170,577	13,797,963	55,207,499	6,521,195	36,080,927	262,085,597				
Accumulated Depreciation											
At 1 January 2010	-	-	5,801,455	36,520,708	5,132,622	14,827,016	62,281,801				
Depreciation for the year	2,706,149	3,034,116	2,249,599	3,703,272	962,554	4,360,980	17,016,670				
Disposals	-	-	(2,365,707)	(2,612,309)	(1,070,258)	(2,519,341)	(8,567,615)				
Impairment Losses	-	-	-	3,150,981	-	-	3,150,981				
At 31 December 2010	2,706,149	3,034,116	5,685,347	40,762,652	5,024,918	16,668,655	73,881,837				
Net Book Value											
At 31 December 2010	132,601,287	12,136,461	8,112,616	14,444,847	1,496,277	19,412,272	188,203,760				
At 31 December 2009	-	-	2,602,951	8,001,502	1,770,662	1,685,073	14,060,188				
Depreciation charge for the year ended 31 December 2009	-	-	1,197,983	4,804,555	1,063,024	884,476	7,950,038				

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

3. PROPERTY, FITTINGS AND EQUIPMENT (continued)

Assets for the Migration Project were vested in the Commission by way of a Novation Agreement dated 23 April 2004 and stated at fair value on the vesting date.

There was a delay in the roll out of the project and the technology obsolescence resulted in an impairment estimated at RM 3,150,981 compared to cost of development of the system in year 2005. The impairment loss was recognized in year 2005 as expenditure in the income statement.

4. LONG TERM INVESTMENTS

Long term investments comprise investments in Government Investment Issues, Cagamas Berhad Sukuk and Islamic Medium Term Notes with coupon rates ranging from 3.04% to 5.0% (2009: 2.57% to 5.0%) with tenure of up to ten (10) years.

During the current year, the Commission placed its funds in an Institutional Trust Account maintained by Amanah Raya Berhad, a public company limited by shares incorporated in Malaysia. The gross profit rate receivable by the Commission is 5% per annum (2009: 5% per annum) and the tenure of the placement is five (5) years.

The maturity structures of long term investments as at the end of the financial year were as follows:

	2010 RM	2009 RM
Up to five years	61,076,700	60,923,200
More than five years	59,005,667	60,737,047
	<hr/> 120,082,367	<hr/> 121,660,247

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

5. WORKS IN PROGRESS

	2010 RM	2009 RM
Balance as at 1 January	178,226,933	103,514,827
Additional works in progress during the financial year	19,900,161	80,851,882
Capitalization to property, fittings and equipment [See Note 5(a) and 5(b)]	(191,851,736)	(6,139,776)
Balance as at 31 December	6,275,358	178,226,933

The works in progress includes the Commission's building construction and information and communication technology projects awarded in the current year as follows:

	2010 RM	2009 RM
Building equipment in progress	3,219,952	178,164,563
Information and communication technology development in progress	3,055,406	62,370
Balance as at 31 December	6,275,358	178,226,933

(a) Construction of Commission's Office Building

The construction of Commission's office building together with the interior design works were completed in year 2009 and Vacant Possession Notice was handed over to the Commission on 1 January 2010. Works in progress related to the construction of the office building amounting to RM 180,232,495 were capitalized in the financial year.

(b) Development and Installation of Information and Communication Technology Infrastructure and Equipment

During the financial year, the Commission awarded several information and communication technology (ICT) projects amounting to RM 10,084,988. These projects are classified as works in progress in the current year based on invoices received.

Works in progress amounting to RM 11,619,241 (2009: RM 6,139,776) were capitalized in the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

6. STAFF FINANCING

	2010 RM	2009 RM
Home financing	33,426,954	24,626,595
Motor vehicle financing	1,621,820	1,128,040
Computer financing	160,100	171,777
<hr/>		
Gross amount of financing	35,208,874	25,926,412
Unearned profits from financing	(5,552,419)	(3,880,242)
<hr/>		
Present value of minimum payments receivable	29,656,455	22,046,170
<hr/>		

The maturity structures of staff financing as at the end of the financial year were as follows:

	2010 RM	2009 RM
<i>Gross amount of financing:</i>		
Within one year	2,343,870	1,797,943
More than one year and up to five years	10,666,364	7,904,440
More than five years	22,198,640	16,224,029
<hr/>		
	35,208,874	25,926,412
<hr/>		
<i>Present value of minimum payments receivable:</i>		
Within one year	2,226,121	1,720,775
More than one year and up to five years	10,027,376	7,528,416
More than five years	17,402,957	12,796,979
<hr/>		
	29,656,454	22,046,170
<hr/>		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

6. STAFF FINANCING (continued)

Staff financing relates to Islamic home, motor vehicle and computer financings approved to the employees of the Commission. The motor vehicle and computer financings are repayable over a maximum period of eight (8) years and four (4) years respectively with a profit rate of 4% per annum (2009: 4% per annum). The home financing is repayable over a maximum period of thirty (30) years with a profit rate of 2% per annum (2009: 2% per annum).

The effective profit rates for these staff financing is 7% to 9% per annum (2009: 7% to 9% per annum).

7. TRADE DEBTORS

Trade debtors consist of service fee receivables, which include fee from e-info services provided through an appointed agent, e-lodgement services and fee from Corporate Training Programmes.

Credit period granted to trade debtors is thirty (30) days from the date of invoice issued or as stated in the related agreements with the appointed agents.

8. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	2010 RM	2009 RM
Profit and dividend receivables	2,930,122	3,530,289
Deposits and prepayments	1,140,100	2,945,026
Advances to employees	739,781	426,376
Other receivables	37,225	35,785
	<hr/> 4,847,228	<hr/> 6,937,476

Included in the profit and dividend receivables is the advanced dividend payment from Mudharabah Deposit Account (MDA) amounting to RM 438,890.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

9. SHORT TERM INVESTMENTS

	2010 RM	2009 RM
Islamic Commercial Papers	-	14,654,740
Negotiable Instrument Debt Certificates	10,096,199	15,000,000
Commodity Murabahah Deposits	45,000,000	15,000,000
Long Term Investments mature in twelve (12) months	70,146,500	75,216,500
	125,242,699	119,871,240

The Commission purchased *Islamic Commercial Papers*, *Negotiable Instrument Debt Certificates* and *Commodity Murabahah Deposits* through various licensed financial institutions. The effective profit rate receivable by the Commission for these securities ranged from 3.0% to 3.4% per annum (2009: 2.3% to 4.5% per annum) and their tenure is up to twelve (12) months.

10. INVENTORIES

	2010 RM	2009 RM
Balance as at 1 January	-	-
Purchases	2,323,100	-
Sales	(1,528,420)	-
	794,680	-

The Ministry of Finance via a letter dated 24 March 2010 had granted approval under section 82 of the Stamp Act 1949 to the Commission to sell revenue stamps to be affixed on the Memorandum and Article of Association of incorporated companies.

These inventories are stated at cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

11. CASH AND CASH EQUIVALENTS

	2010 RM	2009 RM
Cash and bank balances	37,437,260	27,359,413
Deposit placements with :		
Licensed local banks and financial institutions	174,300,454	156,547,212
	211,737,714	183,906,625

The effective profit rate for Al-Mudharabah general investments and Al-Mudharabah special investment with banks and financial institutions ranged from 3.0% to 3.40% per annum (2009: 2.40% to 2.60% per annum).

The tenure of the Al-Mudharabah general investment is thirty (30) days to a year (2009: thirty (30) days to a year), and for the Al-Mudharabah special investment is one (1) night to ninety (90) days (2009: one (1) night to ninety (90) days).

12. GOVERNMENT GRANTS

	Launching Grant RM	Capital Grant RM	Vested Benefits RM	Total RM
At 1 January 2010	-	20,000,000	11,596	20,011,596
Additional grants received during the year	-	8,955,000	-	8,955,000
Amortization on grants received	-	(4,100,000)	-	(4,100,000)
At 31 December 2010	-	24,855,000	11,596	24,866,596
At 1 January 2009	43,600,000	13,374,990	838,251	57,813,241
Additional grants received during the year	-	6,625,010	-	6,625,010
Amortization on grants received	-	-	(826,655)	(826,655)
Reclassified to retained earnings	(43,600,000)	-	-	(43,600,000)
At 31 December 2009	-	20,000,000	11,596	20,011,596

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

12. GOVERNMENT GRANTS (continued)

Government grants include launching and operating grants provided by the Government, development grants approved under the Ninth Malaysian Plan (RMKe-9) and vested benefits. The initial grant was provided to cover the financial liabilities and capital expenses during the inception of the Commission while the operating and development grants were provided to cover capital expenses for the Commission's new building and information and communication technology projects development.

During the financial year, the Commission received an additional development grant amounting to RM 500,000 (2009: RM 6,625,010) for the interior design works.

In addition to that, the Commission also received an allocation under the operating grant amounting to RM 8.46 million for development of SSM Gateway for Malaysia Corporate Identity (MyCoID) and Corporate Data Equity Warehousing System.

Vested benefits at the beginning of the financial year are assets vested in the Commission from 2002 until 2004. These include property, fittings and equipment all monies received from Corporate Directors Training Program and novation of the Migration Project. The assets of the Migration Project are categorized as vested benefits and are stated at fair value.

The amortization of government grants is taken as benefit of the usage of the specific property, fittings and equipment which is equivalent to the depreciation of the property, fittings and equipment. This amount is stated as amortization on grants received in the statement of changes in equity.

13. STAFF FINANCING FUNDS

	2010 RM	2009 RM
Home financing fund	50,000,000	50,000,000
Motor vehicle financing fund	5,000,000	5,000,000
Computer financing fund	1,000,000	1,000,000
	<hr/> 56,000,000	<hr/> 56,000,000
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

13. STAFF FINANCING FUNDS (continued)

The Commission approved the allocation of RM 50.0 million, RM 5.0 million and RM 1.0 million for home, motor vehicle and computer financing funds respectively for employees of the Commission. The home financing fund received allocation from the accumulated surplus of RM 10.0 million per year from 2002 to 2006.

14. PROVISION FOR EMPLOYEE BENEFITS

	2010 RM	2009 RM
Balance as at 1 January	767,345	800,834
Payments made to employees in current year	(43,471)	(33,489)
Balance as at 31 December	723,874	767,345

With effect from October 2004, all contractual employees who have completed their contract of service will no longer be entitled for gratuity payment. This was pursuant to the decision of the Commission to increase the employer's contribution rate for EPF from 12.5% to 17.5% with effect from the said month.

The maturity structures of provision for employee benefits as at the end of the financial year were as follows:

	2010 RM	2009 RM
Current liabilities		
Within one year (See Note 16)	99,920	82,598
Long term liabilities		
More than one year and up to five years	350,540	392,796
More than five years	273,414	291,951
	723,874	767,345

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

15. FEDERAL CONSOLIDATED FUND

	2010 RM	2009 RM
Balance as at 1 January	156,952,560	157,441,275
Provision for revenue payable to Federal Consolidated Fund	164,357,849	156,952,560
Loss of income from discounts offered under Second Economic Stimulus Package	(2,925,150)	-
Payments made during the year to the Federal Consolidated Fund	(156,952,560)	(157,441,275)
Balance as at 31 December	161,432,699	156,952,560

Section 35(1) of the Companies Commission Act 2001 (Act 614) provides that the Commission pays fifty percent (50%) of its total annual revenue to the Federal Consolidated Fund.

During the financial year, the Commission was granted an approval dated 23 March 2010 by the Minister of Finance to deduct 50% of the total loss of income from the contributions to Federal Consolidated Funds for year 2010. The loss of income derived from the discounts offered under the temporary reduction of incorporation fees initiatives in respect of the Second Economic Stimulus Package for the period from 1 April 2010 until 31 December 2010.

16. OTHER CREDITORS

	2010 RM	2009 RM
Payables and accruals	6,739,960	3,361,072
Statutory payables	372,470	442,904
Trustee accounts	1,114,201	65,223
Other creditors (see Note 14)	1,609,969	1,555,632
	9,836,600	5,424,831

The credit period granted by other creditors ranges from thirty (30) to sixty (60) days from the date of invoice received.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

17. SHORT TERM PROJECT CREDITORS

Short term project creditors are costs incurred for the construction of the Commission's office building and information and communication technology projects which were outstanding as at year end.

The credit period granted by short term project creditors ranged from thirty (30) to sixty (60) days from the date of invoice received.

18. INCOME

	2010 RM	2009 RM
Net income from operating activities:		
Services income	264,553,915	253,165,120
Compounds	45,025,855	42,774,792
Corporate Training Programmes	1,047,095	608,351
Other income:		
Profits and dividend	17,051,666	16,650,402
Other income	1,037,167	706,455
	328,715,698	313,905,120

The Commission introduced an initiative by offering discounts ranging from 10% to 15% to support the Government Economic Stimulus Packages with effect from 1 April 2009 until 31 March 2010. The discounts are on fee imposed under the Companies Act 1965, Registration of Businesses Act 1956 as well as participant fee for Corporate Training Programmes.

In continuation to the first initiative, the Commission introduced a second initiative by offering a discount of 15% on incorporation fees for newly incorporated companies with authorized capital less than RM 1.0 million with effect from 1 April 2010 until 31 December 2010.

The discounts offered under both initiatives have reduced the Commission's income for the current year by RM 11,514,025 (2009: RM 15,038,633). The breakdown of the gross income is as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

18. INCOME (continued)

	2010 RM	2009 RM
Gross income from operating activities:		
Services income	276,067,940	268,172,914
Compounds	45,025,855	42,774,792
Corporate Training Programmes	1,047,095	639,190
Other income:		
Profits and dividend	17,051,666	16,650,402
Other income	1,037,167	706,455
Total Gross Income	340,229,723	328,943,753
Discounts offered under Economic Stimulus Packages	(11,514,025)	(15,038,633)
	328,715,698	313,905,120

19. STAFF COSTS

	2010 RM	2009 RM
Salaries	40,995,355	38,637,804
Fixed allowances	4,819,975	4,552,853
Statutory contributions	9,771,800	9,099,288
Overtime allowance	588,630	450,325
Bonus and other benefits	11,090,809	9,793,134
Medical benefits	3,502,328	2,857,986
Members' allowances	321,200	119,847
Subsidies to staff on Government loan	110,545	126,221
	71,200,642	65,637,458

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

20. ADMINISTRATION COSTS

	2010 RM	2009 RM
Travelling and accommodation	4,079,563	3,444,740
Communication and utilities	5,377,545	2,644,831
Rental	12,999,160	11,322,116
Printing and stationeries	9,611,312	6,295,847
Upkeep of equipment	12,461,627	7,975,358
Office maintenance and security	2,483,884	1,144,610
Professional fees	687,366	1,654,772
Entertainment and hospitalities	5,754,872	3,645,849
Other administrative costs	436,530	258,754
	53,891,859	38,386,877

21. SURPLUS BEFORE TAXATION

	2010 RM	2009 RM
Surplus for the year before taxation		
is derived after crediting: -		
Profits and dividend	17,051,666	16,650,402
Other income	1,037,167	706,455
And charging: -		
Members' allowance	321,200	119,847
Auditors' remuneration	56,430	51,300
Bonus and other benefits	11,090,809	9,793,134
Depreciation	17,016,670	7,950,038
Amortization on grants received	4,100,000	-
Amortization on long term investments	901,681	338,908
Loss on disposals of property, fittings and equipment	1,876,440	-

22. TAXATION

The Ministry of Finance on 13 December 2007 granted exemption from payment of income tax on all statutory income of the Commission for a period of ten (10) years from year 2002 until year 2011.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

23. CAPITAL COMMITMENTS

	2010 RM	2009 RM
Capital expenditure commitments :		
Approved and contracted for	5,084,957	17,512,932
Approved but not contracted for	-	-
	<hr/> 5,084,957	<hr/> 17,512,932

24. FINANCIAL RISK MANAGEMENT

The Commission's financial risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Commission. Financial risk management is carried out through risks review, internal control systems, insurance program and adherence to Commission's financial risk management policies. The Commission regularly reviews these risks and approves the treasury policies, which cover the management of these risks.

The main risks arising from the Commission's financial assets and liabilities are liquidity risk, cash flow risk and profits and interest rate risk.

(a) *Liquidity Risk*

The Commission mitigates its liquidity risk by maintaining part of its investment in liquid assets by placing deposits with financial institutions to meet its short term financial commitments.

(b) *Cash Flow Risk*

The cash flow positions are reviewed on a regular basis to manage its exposure to fluctuations in future cash flows.

(c) *Profits and Interest Rate Risk*

The Commission has cash, bank balances and deposits placed with creditworthy licensed banks and financial institutions. The Commission manages its profits and interest rate risks by placing such balances on varying maturities, profit and interest rate terms.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

24. FINANCIAL RISK MANAGEMENT (continued)

Financial Instruments

Effective profits rates analysis

	Effective profits rates per annum %	Within 1 Year RM	1 - 5 Years RM	More than 5 Years RM	Total RM
As At 31 December 2010					
Financial Assets					
Deposits placements:					
Local banks and financial institutions	3.0 - 3.4	211,737,714	-	-	211,737,714
Amanah Raya Berhad	5.0	-	54,919,820	-	54,919,820
Debts securities held to maturity:					
Government Investment Issues	3.04 - 5.0	30,422,500	61,076,700	4,085,848	95,585,048
Islamic Medium Term Notes	3.04 - 5.0	39,724,000	-	-	39,724,000
Islamic Commercial Papers	3.0 - 3.4	-	-	-	-
Negotiable Instrument Debts	3.0 - 3.4	10,096,198	-	-	10,096,198
Comodity Murabahah Deposit	3.0 - 3.4	45,000,000	-	-	45,000,000
		336,980,412	115,996,520	4,085,848	457,062,780
As at 31 December 2009					
Financial Assets					
Deposits placements:					
Local banks and financial institutions	2.40 - 2.60	183,906,625	-	-	183,906,625
Amanah Raya Berhad	5.0	-	56,116,019	-	56,116,019
Debts securities held to maturity:					
Government Investment Issues	2.57 - 5.0	14,964,000	60,923,200	4,621,028	80,508,228
Islamic Medium Term Notes	2.57 - 5.0	60,252,500	-	-	60,252,500
Islamic Commercial Papers	2.3 - 4.5	14,654,740	-	-	14,654,740
Negotiable Instrument Debts	2.3 - 4.5	15,000,000	-	-	15,000,000
Comodity Murabahah Deposit	2.3 - 4.5	15,000,000	-	-	15,000,000
		303,777,865	117,039,219	4,621,028	425,438,112

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

24. FINANCIAL RISK MANAGEMENT (continued)

(d) Fair Value

In respect of cash and cash equivalents, short term investments, trade and other debtors, deposits and prepayments, contributions to Federal Consolidated Fund, other payables and short terms project creditors, the carrying amounts approximate their fair value due to the relatively short-term nature of these financial instruments.

The fair value of the other financial assets stated in the balance sheet date on 31 December 2010 is shown below:

	2010		2009	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial assets				
Long Term Investments	135,309,047	135,399,547	140,760,728	142,976,700
Staff Financing	29,656,455	30,640,707	22,046,170	44,342,226

25. EMPLOYEES

The number of employees of the Commission as at 31 December 2010 was 1,239 inclusive of 40 temporary staff (2009: 1,168 inclusive of 40 temporary staff).

26. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2010 was duly approved by the Members of the Companies Commission of Malaysia on 25 February 2011.

27. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year financial statements presentation.

SSM'S PRESENCE NATIONWIDE

HEADQUARTERS

Menara SSM@Sentral
No 7, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50623 Kuala Lumpur.
Tel : 03-2299 4400
Fax : 03-2299 4411
Hotline : 03-22995500
E-mail : enquiry@ssm.com.my

Suruhanjaya Syarikat Malaysia (ROB)
16th Floor, Putra Place,
100 Jalan Putra,
50622 Kuala Lumpur.
Tel : 03-4043 0811
Fax : 03-4043 0832
E-mail : fekri@ssm.com.my

STATE OFFICES

PERLIS

Rashidan bin Abd Rashid
8th Floor, Bangunan KWSP,
Jalan Bukit Lagi,
01000 Kangar, Perlis.
Tel : 04-978 1877 / 976 7899 / 977 3182
Fax : 04-977 4758
E-mail : rashdan@ssm.com.my

KEDAH

Abu Hassan bin Bin Kasim
10th Floor, Menara Sentosa,
Jalan Tunku Ibrahim,
05621 Alor Setar, Kedah.
Tel : 04-733 0111
Fax : 04-731 5517
E-mail : abu@ssm.com.my

PULAU PINANG

Roslan bin Hussain
6-7th Floor, Bangunan KWSP,
No. 3009, Off Leboh Tenggiri 2,
Bandar Seberang Jaya,
13700 Pulau Pinang.
Tel : 04-397 7793
Fax : 04-397 7713
E-mail : roslan@ssm.com.my

PERAK

Norihan binti Elias
2C Floor, Greentown Mall,
Jalan Hospital,
30450 Ipoh, Perak.
Tel : 05-241 6900 / 254 7913 / 253 3071
Fax : 05-255 7162
E-mail : norihan@ssm.com.my

SELANGOR

Mohammad Nasir bin Zakaria
3-4th Floor, Plaza Alam Sentral,
Jalan Majlis, Seksyen 14,
40000 Shah Alam, Selangor.
Tel : 03-5511 6500 / 5513 9570 / 5513 5997 / 5513 3976
Fax : 03-5510 4200 (Tingkat 3) / 03-5510 6200 (Tingkat 4)
E-mail : nasir@ssm.com.my

NEGERI SEMBILAN

Khairudin bin Rusli
Level 3, Wisma Perkeso,
Lot 3757 & 52
Jalan Sungai Ujong,
70000 Seremban, Negeri Sembilan.
Tel : 06-761 9098 / 761 5506 / 06-764 1885 / 764 5598
Fax : 06-765 5877
E-mail : krudin@ssm.com.my

MELAKA

Ahmad Shatar bin Azizan
Ground Floor Menara MITC
Kompleks MITC
Jalan Konvensyen
75450 Ayer Keroh, Melaka
Tel : 06-231 1717
Fax : 06-231 3502
E-mail : ashatar@ssm.com.my

JOHOR

Kalsom binti Abd Samad
Podium 4B & 5, Menara Ansar,
65 Jalan Trus,
80000 Johor Bahru, Johor.
Tel : 07-223 3589 / 224 4710 / 224 4708
Fax : 07-224 1714 / 224 8169
E-mail : kalsoma@ssm.com.my

PAHANG

Rozaini bin Muhamed
Lot 202-216, 2nd Floor, Block B,
Kuantan Centre Point,
Jalan Haji Abdul Rahman,
25000 Kuantan, Pahang.
Tel : 09-516 4866 / 516 4600
Fax : 09-516 1869 / 516 3316
E-mail : rozaini@ssm.com.my

TERENGGANU

Rohaimi bin Abd Manan
6-7th Floor, Menara Yayasan Islam,
Jalan Sultan Omar,
20300 Kuala Terengganu, Terengganu.
Tel : 09-623 7170 / 623 7127
Fax : 09-623 0945 / 6237172
E-mail : rohaimi@ssm.com.my

SSM'S PRESENCE NATIONWIDE

KELANTAN

W.Abd Rahim bin W.Daud
2, 3 & 4th Floor Kota Sri Mutiara,
Jalan Sultan Yahya Petra,
15150 Kota Bharu, Kelantan.
Tel : 09-748 2860 / 748 4599
Fax : 09-744 7622 / 747 2607
E-mail : wrahim@ssm.com.my

SARAWAK

Hairul Anuar bin Yasin
2-3rd Floor, Wisma STA,
26 Jalan Datuk Abang Abdul Rahim,
93450 Kuching, Sarawak.
Tel : 082-481 499
Faks : 082-334 622
E-mail : hairul@ssm.com.my

SABAH

Rosnah binti Ali
4th Floor, Menara MAA,
6 Lorong Api-Api,
Locked Bag 2039,
88999 Kota Kinabalu, Sabah.
Tel : 088-233 551 / 233 346
Fax : 088-237 884
E-mail : rosnah@ssm.com.my

WILAYAH PERSEKUTUAN LABUAN

Muhd Nasir bin Mahmood
No. 6A1 & 6A2, 6th Floor,
Block 4, Kompleks Ujana Kewangan,
Jalan Merdeka,
87000 Wilayah Persekutuan Labuan.
Tel : 087-414 100
Fax : 087-414 152
E-mail : mnasir@ssm.com.my

BRANCH OFFICES

TAWAU

Mohd Yasin bin Abd Malik
TB 4444, GF & 1st Floor,
Blok F, Sabindo Square,
Jalan Dunlop,
91018 Tawau, Sabah.
Tel : 089-750 585 / 752 585
Fax : 089-754 585
E-mail : yasin@ssm.com.my

MIRI

Abdul Rahman bin Rosli
Ground Floor, Plaza Yu Lan,
97, Jalan Brooke,
98008 Miri, Sarawak.
Tel : 085-424 777 / 421 117
Fax : 085-422 225
E-mail : arahman@ssm.com.my

MUAR

Norsilawati binti Bachek
No. 1, Jalan Perdagangan,
Off Bulatan Jalan Bakri,
84000 Muar, Johor.
Tel : 06-954 6611 / 954 7711
Fax : 06-954 6600
E-mail : norsilawati@ssm.com.my

TEMERLOH

Ahmad Tarmizi bin Hussain
No. 15 & 16, Ground Floor
Jalan Ahmad Shah
28000 Temerloh
Pahang Darul Makmur
Tel : 09-296 4600/5600
Fax : 09-296 0010
E-mail : atarmizi@ssm.com.my

SERVICE CENTRE

LANGKAWI

Pusat Perkhidmatan
Suruhanjaya Syarikat Malaysia
No 4, Mezzanine Floor, Kompleks LADA
Jalan Persiaran Putra
07000 Langkawi, Kedah.
Tel : 04-966 7943
Fax : 04-966 5318

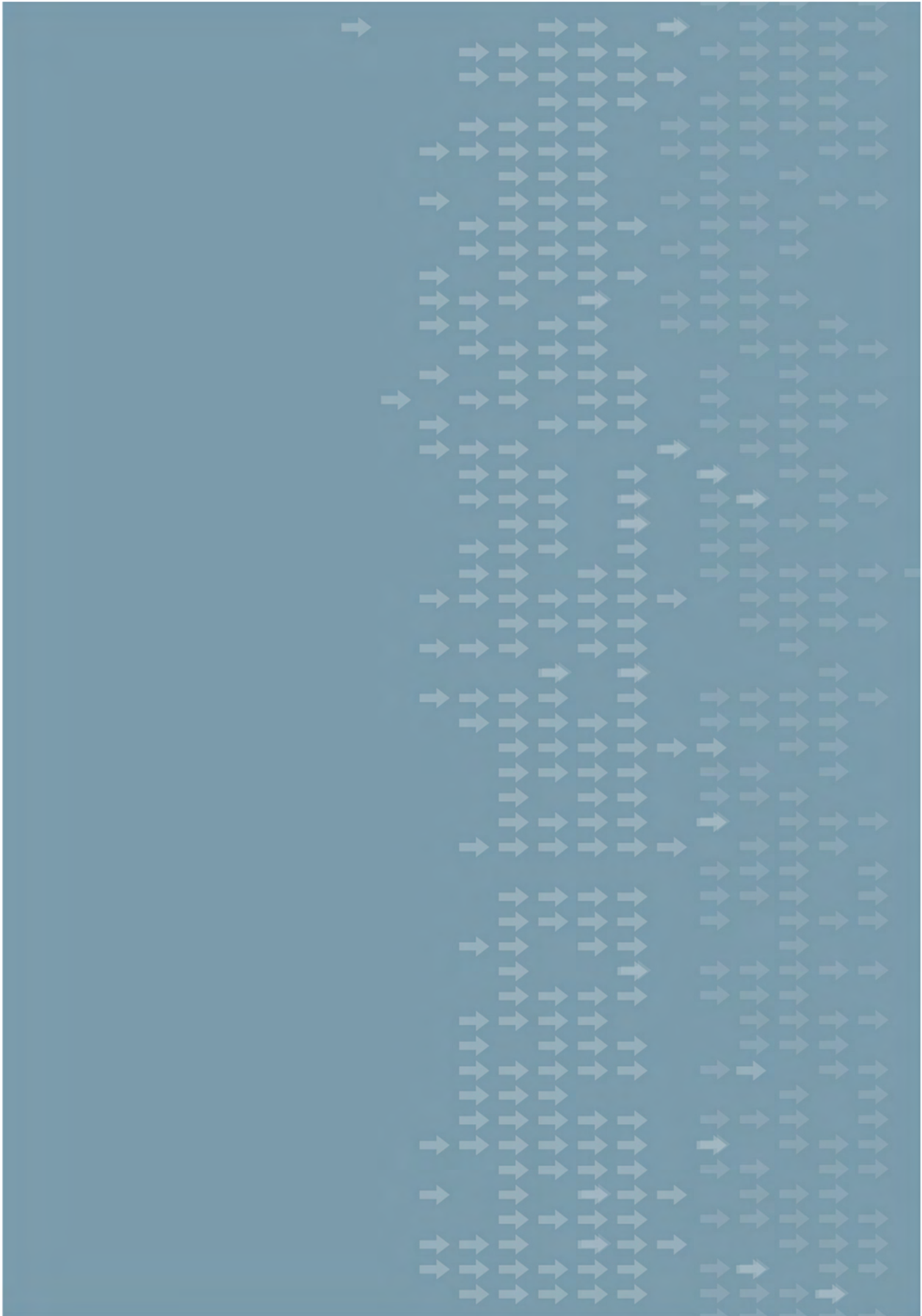
SERVICE COUNTERS AND BUSINESS REGISTRATION

SELAYANG

Lobby, Blok A
Majlis Perbandaran Selayang
68100 Batu Caves, Selangor.
Tel : 03- 6120 2642
Fax : 03-6120 2641

PUTRAJAYA

Kaunter Khidmat Pengguna, Aras G
Kementerian Perdagangan Dalam Negeri
Koperasi Dan Kepenggunaan,(KPDNKK)
No. 13, Persiaran Perdana
Presint 2, Pusat Pentadbiran Kerajaan Persekutuan
62623 Putrajaya
Wilayah Persekutuan Putrajaya.
Tel : 03-8882 6509/6480



Companies Commission of Malaysia
Menara SSM@Sentral
No. 7, Jalan Stesen Sentral 5,
Kuala Lumpur Sentral
50623 Kuala Lumpur

www.ssm.com.my



Printed on 100% Recycled Paper