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SECTION 2 - INTERPRETATION

"Exempt Private Company" means a private company in the shares of which no beneficial interest is held directly or indirectly by any corporation and which has **not more than 20 members none of whom is a corporation.**

PENALTY: Section 588(2) - A person who is guilty of an offence under this Act shall, on conviction, be liable to a penalty or punishment not exceeding the penalty or punishment expressly mentioned as the penalty or punishment for the offence, or if a penalty or punishment is not mentioned -

a- in the case of a person who is an individual, to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 3 years or to both;

b- in the case of a person other than an individual, to a fine not exceeding RM50,000

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SECTION 47 (1) (h), (2) & (3) - DOCUMENTS TO BE KEPT AT REGISTERED OFFICE

(1) (h) A company shall keep at its registered office copies of all financial statements and group financial statement

(2) Any document referred to in subsection (1), may be kept at a place other than at the registered office of a company provided notice to that effect has been given to the Registrar.

(3) The company shall notify the Registrar of any changes to the address of the place referred to in subsections (1) and (2) within 14 days from the date of such change.

PENALTY: Section 47 (4) - The company and every officer who contravene this section commit an offence and shall, on conviction, be liable to a fine not exceeding RM10,000 and, in the case of a continuing offence, to a further fine not exceeding RM500 for each day during which the offence continues after conviction.



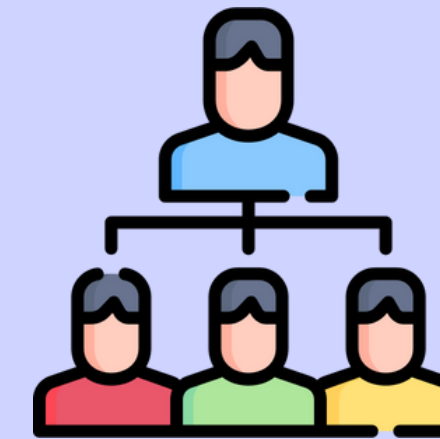


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SECTION 257 (1) & (2) - DUTY TO CIRCULATE COPIES OF FINANCIAL STATEMENTS AND REPORTS

1) Every company shall send a copy of its financial statements and reports for each financial year to -

a) Every member of the company;



b) Every person who is entitled to receive notice or general meetings;

c) Every auditor of the company; and



d) Every debenture holder of the company on a request being made to the company



2) Copies of the financial statements and reports shall be sent to the last known address provided to the company.

PENALTY: Section 257 (4) - The company and every officer who contravene this section commit an offence and shall, on conviction, be liable to a fine not exceeding RM50,000.



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SECTION 260 (1) & (2) - DUTY TO LODGE CERTIFICATE RELATING TO EXEMPT PRIVATE COMPANY

(1) An exempt private company may lodge with the Registrar for each financial year a certificate relating to its status as an exempt private company in lieu of the requirements in paragraph 259(1)(a) within 30 days from the circulation of the financial statements and reports are circulated under section 258.

(2) The certificate shall be signed by a director, auditor and secretary of the company confirming that :



a- The company is and has at all relevant times been an exempt private company;

b- A duly audited financial statements and reports required under this Act has been circulated to its members; and

c- As at the date to which the financial statement has been made up, the company appeared to have been able to meet its liabilities as and when the liabilities fall due.



PENALTY: Section 260 (3) - The company and every officer who contravene this section commit an offence and shall, on conviction, be liable to a fine not exceeding RM20,000 and, in the case of a continuing offence, to a further fine not exceeding RM1,000 for each day during which the offence continues after conviction.



5 SECTION 261 (1) - AUDITOR'S STATEMENT

(1) A company that is not required by this Act to lodge financial statements with the Registrar shall lodge with the Registrar a statement relating to the financial statements of the company required to be circulated to its members, signed by the auditor of the company-

a- Stating whether the company has in his opinion kept proper accounting records and other books during the period covered by those accounts;

b- Stating whether the financial statements have been audited in accordance with this Act;

c- Stating whether the auditor's report on the financial statements was made subject to any qualification or opinion under any applicable auditing standards, or included any comment made under subsection 266(3) and, if so, particulars of the qualification or comment;
and

d- Stating whether as at the date to which the financial statement has been made up, the company appeared to have been able to meet its liabilities as and when the liabilities fall due.

PENALTY: Section 261 (2) - The company and every officer who contravene this section commit an offence and shall, on conviction, be liable to a fine not exceeding RM20,000 and, in the case of continuing offence, to a further fine not exceeding RM1,000 for each day during which the offence continued after conviction.