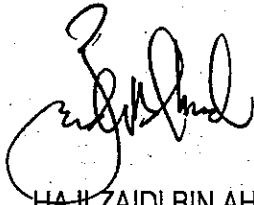


SARAWAK HOUSING AND REAL ESTATE DEVELOPERS' ASSOCIATION
(Registered in Malaysia)

STATEMENT BY THE COMMITTEE

We, HAJI ZAIDI BIN AHMAD, SIM KIANG CHIOK and TAN YOKE SENG, being three of the Committee Members of SARAWAK HOUSING AND REAL ESTATE DEVELOPERS' ASSOCIATION, do hereby state on behalf of the Committee Members that in our opinion, the financial statements set out on pages 3 to 8 are drawn up in accordance with the constitution of SARAWAK HOUSING AND REAL ESTATE DEVELOPERS' ASSOCIATION and the Societies Act 1966 in Malaysia so as to give a true and fair view of the state of affairs of the Association at 31st December, 2012 and of the results of its operations and the cash flows for the year ended on that date.



HAJI ZAIDI BIN AHMAD
President



SIM KIANG CHIOK
Secretary-General



TAN YOKE SENG
Treasurer-General

Kuching: 18th March, 2013

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SARAWAK HOUSING AND REAL ESTATE DEVELOPERS' ASSOCIATION**
(Registered in Malaysia)

Report on the Financial Statements

We have audited the financial statements of SARAWAK HOUSING AND REAL ESTATE DEVELOPERS' ASSOCIATION, which comprise the balance sheet as at 31st December, 2012, income and expenditure statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 3 to 8.

Management Committees' Responsibility for the Financial Statements

The Management Committee of the Association is responsible for the preparation of financial statements that give a true and fair view in accordance with the constitution of the Association and the Societies Act 1966 in Malaysia, and for such internal control as the Management Committee determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

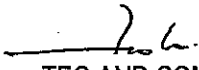
In our opinion, the financial statements have been properly drawn up in accordance with the constitution of the Association and the Societies Act 1966 in Malaysia so as to give a true and fair view of the financial position of the Association as of 31st December, 2012 and of its financial performance and cash flows for the year then ended.

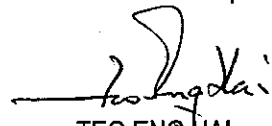
Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Societies Act 1966 in Malaysia, we also report that in our opinion the accounting and other records have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Association, as a body, in accordance with Section 26 of the Societies Act 1966 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


TEO AND COMPANY
AF: 0548
Chartered Accountants


TEO ENG HAI
712/03/14(J/PH)
Chartered Accountant

Kuching: 18th March, 2013


SARAWAK HOUSING AND REAL ESTATE DEVELOPERS' ASSOCIATION
(Registered in Malaysia)

BALANCE SHEET AS AT 31ST DECEMBER, 2012

	NOTE	2012 RM	2011 RM
NON-CURRENT ASSETS			
Property, plant and equipment	3	454,463.00	473,106.00
CURRENT ASSETS			
Inventories	4	2,542.00	2,883.00
Sundry receivables	5	100,504.63	114,909.55
Fixed deposits	6	1,453,059.21	1,244,329.74
Cash at banks	7	147,002.54	127,394.60
Cash in hand		94.45	249.00
		<u>1,703,202.83</u>	<u>1,489,765.89</u>
CURRENT LIABILITIES			
Sundry payables	8	567,440.00	615,550.45
Tax payable		2,100.00	-
		<u>569,540.00</u>	<u>615,550.45</u>
NET CURRENT ASSETS		<u>1,133,662.83</u>	<u>874,215.44</u>
		<u>1,588,125.83</u>	<u>1,347,321.44</u>
Financed by :			
ACCUMULATED FUND			
Balance brought forward		1,110,638.09	887,744.04
Surplus for the year		240,804.39	222,894.05
		<u>1,351,442.48</u>	<u>1,110,638.09</u>
BUILDING FUND		<u>236,683.35</u>	<u>236,683.35</u>
	9	<u>1,588,125.83</u>	<u>1,347,321.44</u>

The accompanying notes form an integral part of the financial statements.


Haji Zaidi Bin Ahmad
President


Sim Kiang Chiok
Secretary-General


Tan Yoke Seng
Treasurer-General

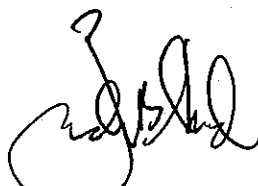
Kuching: 18th March, 2013

SARAWAK HOUSING AND REAL ESTATE DEVELOPERS' ASSOCIATION*(Registered in Malaysia)***INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER, 2012**


	2012 RM	2011 RM
INCOME		
Entrance fee received	12,000.00	18,000.00
Subscription fee received	237,800.00	240,400.00
Subscription fee received from registered associates	10,400.00	21,600.00
Annual dinner	323,040.00	294,932.00
Sarbex exhibition income	474,585.00	422,985.02
Property roadshow exhibition income	222,399.20	161,706.00
Donation received	10,000.00	-
Publishing income -		
Diary - 2012	425.00	10,100.00
Directory - 2008	160.00	-
Magazines & newsletter - 2011	1,000.00	-
Handbook	-	154.00
Interest income	39,250.40	26,366.12
Sundry income	-	77.48
Recovery of expenses	5,148.50	-
	<u>1,336,208.10</u>	<u>1,196,320.62</u>
Less: EXPENDITURE		
Advertisement	3,409.68	314.72
Annual dinner expenses	225,457.30	176,469.50
Audit fee	2,200.00	2,200.00
Bad debt	-	35.60
Bank charges	211.65	170.60
Consultancy fee	43,787.50	-
Depreciation	24,192.00	16,198.00
Discount allowed	25.00	-
Donation	5,000.00	982.00
E.P.F. contributions	13,992.00	19,768.00
Electricity & water	6,048.98	6,833.25
FIABCI expenses	6,018.00	6,464.00
Insurance	1,122.01	1,121.96
Malaysia Developers' Concil meeting expenses	4,226.68	-
Medical fee	906.00	764.00
Meeting expenses	5,500.19	17,769.52
Newspaper & periodical	1,332.00	1,336.70
Printing & stationery	9,549.99	9,889.84
Professional charges	40,500.00	8,480.00
Property roadshow exhibition expenses	142,658.93	96,156.19
Publishing expenses -		
Magazines & newsletter	2,285.00	-
Diary	-	13,247.60

	RM	RM
Refreshment & entertainment	1,324.37	2,639.52
Rental	22,560.00	22,560.00
Repairs & maintenance	859.00	1,796.00
Salaries, overtimes & allowances	107,883.27	165,478.90
Sarbex exhibition expenses	360,748.03	330,994.15
Socso	1,658.45	2,469.60
Stamp, postages & courier services	1,423.26	847.90
Sundry expenses	4,705.31	3,195.21
Study tour subsidiary	14,198.16	24,893.85
Telephone, jaring & fax	7,543.45	7,869.75
Travelling expenses	21,976.88	25,900.21
Uniforms	9,000.00	-
Website expenses	80.00	6,580.00
	<u>1,092,383.09</u>	<u>973,426.57</u>
SURPLUS FOR THE YEAR	243,825.01	222,894.05
Less: Income tax		
- previous year	920.62	-
- accrual in current year	2,100.00	-
NET SURPLUS FOR THE YEAR	<u>240,804.39</u>	<u>222,894.05</u>

The accompanying notes form an integral part of the financial statements.


Haji Zaidi Bin Ahmad
President


Sim Kiang Chiok
Secretary-General


Tan Yoke Seng
Treasurer-General

Kuching: 18th March, 2013

SARAWAK HOUSING AND REAL ESTATE DEVELOPERS' ASSOCIATION
(Registered in Malaysia)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER, 2012

	2012 RM	2011 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	243,825.01	222,894.05
Adjustment for :-		
Depreciation	24,192.00	16,198.00
Interest income	(39,250.40)	(26,366.12)
Operating surplus before working capital changes	228,766.61	212,725.93
Decrease in inventories	341.00	346.00
Decrease/(increase) in receivables	14,404.92	(66,231.10)
(Decrease)/increase in payables	(48,110.45)	88,146.66
Cash generated from operations	195,402.08	234,987.49
Interest income	39,250.40	26,366.12
Tax paid	(920.62)	-
Net cash from operating activities	233,731.86	261,353.61
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,549.00)	(8,157.00)
Net cash (used in) investing activities	(5,549.00)	(8,157.00)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	228,182.86	253,196.61
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	1,371,973.34	1,118,776.73
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	1,600,156.20	1,371,973.34
CASH AND CASH EQUIVALENTS COMPRISE		
Fixed deposits	1,453,059.21	1,244,329.74
Cash at banks	147,002.54	127,394.60
Cash in hand	94.45	249.00
	1,600,156.20	1,371,973.34

The accompanying notes form an integral part of the financial statements.

SARAWAK HOUSING AND REAL ESTATE DEVELOPERS' ASSOCIATION
(Registered in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Sarawak Housing And Real Estate Developers' Association is registered and domiciled in Malaysia.

The registered office of the Association is located at Sublot 42, 2nd Floor, Tabuan Stutong Commercial Centre, Jalan Setia Raja, 93350 Kuching, Sarawak.

The Association objectives and aims are to provide a forum for the advancement of interests of companies engaged in property development with a view to raise the standard of the industry, establish a code of conduct and ethics, and promote goodwill among members.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting -

The financial statements of the Association, expressed in Ringgit Malaysia, have been prepared under the historical cost convention and in compliance with the constitution of the Association and the Societies Act 1966 in Malaysia.

2.2 Depreciation of property, plant and equipment -

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation of long term leasehold land and building is provided based on leasehold period. Depreciation is provided on the straight line basis so as to write off the cost of the property, plant and equipment over its estimated useful life. The annual rates used for this purpose are as follows:-

Long term leasehold land and building	2%
Renovation	10%
Office equipment	10%
Furniture and fittings	10%

2.3 Impairment of non-financial assets -

The carrying amount of the Company's assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the asset. The impairment loss is recognised in the income statement immediately.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised as income immediately in the income statement.

2.4 Receivables -

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

2.5 Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

2.6 Revenue recognition -

Revenue from organised activities is recognised when the activities are performed.

Subscription and entrance fees, fixed deposit interest and others are accounted on cash basis.

3. PROPERTY, PLANT AND EQUIPMENT

	Long term leasehold building RM	Renovation RM	Office equipment RM	Furniture and fittings RM	Total RM
Cost					
At 1st January, 2012	398,515.00	77,707.55	65,981.27	33,309.80	575,513.62
Additions	-	-	5,549.00	-	5,549.00
At 31st December, 2012	398,515.00	77,707.55	71,530.27	33,309.80	581,062.62
Accumulated depreciation					
At 1st January, 2012	-	38,855.55	45,882.27	17,669.80	102,407.62
Charge for the financial year	7,970.00	7,771.00	5,372.00	3,079.00	24,192.00
At 31st December, 2012	7,970.00	46,626.55	51,254.27	20,748.80	126,599.62
Net book value					
At 31st December, 2011	398,515.00	38,852.00	20,099.00	15,640.00	473,106.00
At 31st December, 2012	390,545.00	31,081.00	20,276.00	12,561.00	454,463.00

4. INVENTORIES

	2012 RM	2011 RM
At cost		
Red ties	2,542.00	2,883.00

5. SUNDRY RECEIVABLES

	2012 RM	2011 RM
Deposits	6,620.00	5,720.00
Prepayments	38,851.20	49,318.30
Activities debtors	53,968.24	58,289.50
Other debtors	1,065.19	1,581.75
	100,504.63	114,909.55

6. FIXED DEPOSITS

	2012 RM	2011 RM
AmBank (M) Berhad	653,888.87	633,862.00
Public Bank Berhad	108,057.76	104,867.54
Bank Kerjasama Rakyat Malaysia Berhad	81,962.20	40,000.00
Malayan Banking Berhad	239,634.18	183,843.95
RHB Bank Berhad	51,652.82	50,000.00
CIMB Bank Berhad	50,884.09	50,505.40
United Overseas Bank Berhad	266,979.29	181,250.85
	<u>1,453,059.21</u>	<u>1,244,329.74</u>

7. CASH AT BANKS

	2012 RM	2011 RM
Public Bank Berhad A/c No. 3126520221	131,403.69	111,852.53
AmBank (M) Berhad A/c No. 243-202-2004003	9,748.91	9,648.13
Malayan Banking Berhad A/c No. 011113205912	2,465.61	2,487.61
A/c No. 511113444599	3,384.33	3,406.33
	<u>147,002.54</u>	<u>127,394.60</u>

8. SUNDRY PAYABLES

	2012 RM	2011 RM
Accruals	7,515.03	42,375.50
Deposit	402,430.55	402,430.55
Prepayments	125,100.00	113,800.00
Other creditors	32,394.42	56,944.40
	<u>567,440.00</u>	<u>615,550.45</u>

9. BUILDING FUND

	2012 RM	2011 RM
SHEDA Building	<u>236,683.35</u>	<u>236,683.35</u>