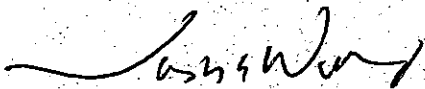



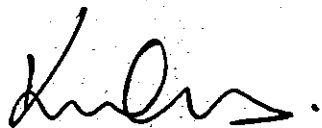
SARAWAK HOUSING AND REAL ESTATE DEVELOPERS' ASSOCIATION
(Registered in Malaysia)

STATEMENT BY THE COMMITTEE

We, JOSEPH WONG KEE LIONG, JEE CHUN FAH and KELVIN CHOO CHUNG ING, 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, 2014 and of the results of its operations and of the cash flows for the year ended on that date.



JOSEPH WONG KEE LIONG
President


JEE CHUN FAH
Secretary-General

KE VIN CHOO CHUNG ING
Treasurer-General

Kuching: 17th March, 2015

**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, 2014, 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.

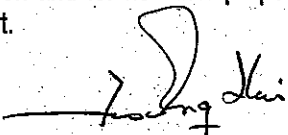
Opinion

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, 2014 and of its financial performance and cash flows for the year then ended.

Other Matters

This report is made solely to the members of the Association 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
712/03/16(J/PH)
Chartered Accountant

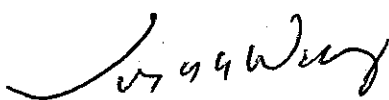
Kuching: 17th March, 2015

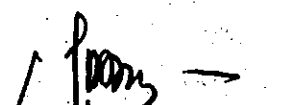
SARAWAK HOUSING AND REAL ESTATE DEVELOPERS' ASSOCIATION
(Registered in Malaysia)

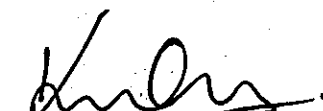
BALANCE SHEET AS AT 31ST DECEMBER, 2014

	NOTE	2014 RM	2013 RM
NON-CURRENT ASSETS			
Property, plant and equipment	3	411,838.00	432,019.00
CURRENT ASSETS			
Inventories	4	2,077.00	2,201.00
Sundry receivables	5	62,367.60	114,670.17
Fixed deposits	6	2,460,432.79	1,879,576.00
Cash at banks	7	131,628.44	200,089.48
Cash in hand		3.20	500.00
		<u>2,656,509.03</u>	<u>2,197,036.65</u>
CURRENT LIABILITIES			
Sundry payables	8	234,028.75	611,859.54
Tax payable		167,965.00	51,080.00
		<u>401,993.75</u>	<u>662,939.54</u>
NET CURRENT ASSETS		<u>2,254,515.28</u>	<u>1,534,097.11</u>
		<u>2,666,353.28</u>	<u>1,966,116.11</u>
Financed by :			
ACCUMULATED FUND			
Balance brought forward		1,729,432.76	1,351,442.48
Surplus for the year		700,237.17	377,990.28
		<u>2,429,669.93</u>	<u>1,729,432.76</u>
BUILDING FUND	9	236,683.35	236,683.35
		<u>2,666,353.28</u>	<u>1,966,116.11</u>

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


Joseph Wong Kee Liong
President


Jee Chun Fah
Secretary-General


Kevin Choo Chung Ing
Treasurer-General

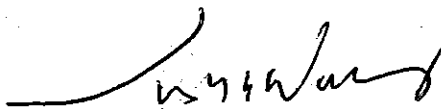
Kuching: 17th March, 2015

SARAWAK HOUSING AND REAL ESTATE DEVELOPERS' ASSOCIATION*(Registered in Malaysia)***INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER, 2014**

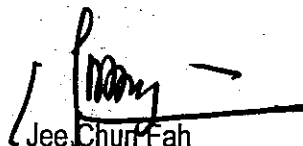
	2014 RM	2013 RM
INCOME		
Entrance fee received	15,000.00	22,000.00
Subscription fee received	233,600.00	241,200.00
Subscription fee received from registered associates	8,800.00	12,000.00
Annual dinner income	480,000.00	346,000.00
Sarbex exhibition income	642,875.00	627,605.00
Property roadshow exhibition income	495,585.20	350,070.20
GST seminar income	31,400.00	-
GST workshop income	67,500.00	-
Publishing income - Diary - 2014	13,025.00	-
Interest income	60,995.76	46,654.27
Sundry income	147.60	125.16
Compensation claimed	402,430.55	-
Recovery of expenses	681.57	-
	<u>2,452,040.68</u>	<u>1,645,654.63</u>
Less: EXPENDITURE		
Advertisement	220.00	884.70
Annual dinner expenses	326,275.50	268,996.69
Audit fee	3,000.00	2,800.00
Bad debts	5,697.42	3,680.00
Bank charges	159.00	135.00
Consultancy fee	84,000.00	42,000.00
Depreciation	22,499.00	22,834.00
Donation	1,000.00	11,000.00
E.P.F. contributions	18,440.00	11,860.00
Electricity & water	7,230.05	6,240.07
FIABCI expenses	5,700.00	5,250.00
GST seminar expenses	20,594.40	-
GST workshop expenses	48,284.00	-
Insurance	1,043.60	870.07
Malaysia Developers' Council meeting expenses	5,066.24	17,504.42
Medical fee	516.00	738.00
Meeting expenses	13,831.04	4,355.58
Newspaper & periodical	1,370.00	1,332.00
Printing & stationery	13,049.62	10,904.75
Professional charges	57,442.00	33,500.00
Property roadshow exhibition expenses	296,262.45	200,359.79
Publishing - Diary 2014	12,470.70	-
Refreshment & entertainment	887.45	2,789.37
Rental	18,000.00	18,000.00
Repairs & maintenance	1,732.00	1,113.00

	RM	RM
Salaries, overtimes & allowances	148,076.02	95,779.00
Sarbex exhibition expenses	415,186.03	397,967.73
Socso	2,096.65	1,503.90
Stamp, postages & courier services	955.40	1,394.45
Sundry expenses	5,686.00	3,067.03
Study tour subsidy	10,984.20	2,460.00
Telephone & fax	7,112.20	7,492.90
Travelling expenses	22,613.46	32,436.90
Website expenses	3,380.00	6,480.00
	<u>1,580,860.43</u>	<u>1,215,729.35</u>
SURPLUS FOR THE YEAR	871,180.25	429,925.28
Less/add : Income tax		
- Accrual for the year	(170,000.00)	(52,000.00)
- (Under)/over accrual in previous year	(943.08)	65.00
SURPLUS TRANSFERRED TO ACCUMULATED FUND	<u>700,237.17</u>	<u>377,990.28</u>

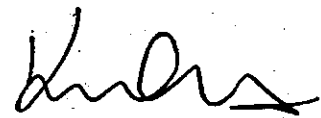
The accompanying notes form an integral part of the financial statements.



Joseph Wong Kee Liong
President



Jee Churn Fah
Secretary-General



Kevin Choo Chung Ing
Treasurer-General

Kuching: 17th March, 2015

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER, 2014

	2014 RM	2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	871,180.25	429,925.28
Adjustment for :-		
Depreciation of property, plant & equipment	22,499.00	22,834.00
Interest income	(60,995.76)	(46,654.27)
Operating surplus before working capital changes	832,683.49	406,105.01
Changes in working capital -		
Decrease in inventories	124.00	341.00
Decrease/(increase) in receivables	52,302.57	(14,165.54)
(Decrease)/increase in payables	(377,830.79)	44,419.54
Cash generated from operations	507,279.27	436,700.01
Interest income	60,995.76	46,654.27
Tax paid	(54,058.08)	(2,955.00)
Net cash from operating activities	514,216.95	480,399.28
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,318.00)	(390.00)
Net cash (used in) investing activities	(2,318.00)	(390.00)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	511,898.95	480,009.28
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	2,080,165.48	1,600,156.20
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	2,592,064.43	2,080,165.48
CASH AND CASH EQUIVALENTS COMPRISE		
Fixed deposits	2,460,432.79	1,879,576.00
Cash at banks	131,628.44	200,089.48
Cash in hand	3.20	500.00
	2,592,064.43	2,080,165.48

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's 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 short term leasehold land and building is provided based on leasehold period. Depreciation of other property, plant and equipment 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. A full year's depreciation is charged in the year of purchase or, if later, the year in which it is first used, but none in the year of disposal. The annual rates used for this purpose are as follows:-

Short 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 Income recognition -

Income 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

	Short term leasehold building RM	Renovation RM	Office equipment RM	Furniture and fittings RM	Total RM
Cost					
At 1st January, 2014	398,515.00	77,707.55	71,530.27	33,699.80	581,452.62
Additions	-	-	2,318.00	-	2,318.00
At 31st December, 2014	398,515.00	77,707.55	73,848.27	33,699.80	583,770.62
Accumulated depreciation					
At 1st January, 2014	15,940.00	54,397.55	55,674.27	23,421.80	149,433.62
Charge for the financial year	7,970.00	7,771.00	4,192.00	2,566.00	22,499.00
At 31st December, 2014	23,910.00	62,168.55	59,866.27	25,987.80	171,932.62
Net book value					
At 31st December, 2013	382,575.00	23,310.00	15,856.00	10,278.00	432,019.00
At 31st December, 2014	374,605.00	15,539.00	13,982.00	7,712.00	411,838.00

4. INVENTORIES

	2014 RM	2013 RM
At cost		
Red ties	2,077.00	2,201.00

5. SUNDRY RECEIVABLES

	2014 RM	2013 RM
Deposits	5,860.00	5,860.00
Prepayments	13,775.00	33,864.10
Activities debtors	42,258.40	74,009.92
Other debtors	474.20	936.15
	62,367.60	114,670.17

6. FIXED DEPOSITS

	2014 RM	2013 RM
AmBank (M) Berhad	695,914.23	674,694.43
Public Bank Berhad	196,017.66	111,343.84
Bank Kerjasama Rakyat Malaysia Berhad	334,347.87	324,562.55
Malayan Banking Berhad	334,915.70	247,160.44
RHB Bank Berhad	237,571.49	133,305.71
CIMB Bank Berhad	54,144.81	52,486.94
United Overseas Bank (Malaysia) Berhad	607,521.03	336,022.09
	<u>2,460,432.79</u>	<u>1,879,576.00</u>

7. CASH AT BANKS

	2014 RM	2013 RM
Public Bank Berhad A/c No. 3126520221	114,622.14	183,173.15
AmBank (M) Berhad A/c No. 243-202-2004003	11,187.36	11,066.39
Malayan Banking Berhad A/c No. 011113205912	2,445.61	2,465.61
A/c No. 511113444599	3,373.33	3,384.33
	<u>131,628.44</u>	<u>200,089.48</u>

8. SUNDRY PAYABLES

	2014 RM	2013 RM
Accruals	127,587.55	37,038.65
Deposit	-	402,430.55
Prepayments	99,250.00	156,475.00
Other creditors	7,191.20	15,915.34
	<u>234,028.75</u>	<u>611,859.54</u>

9. BUILDING FUND

	2014 RM	2013 RM
SHEDA building	236,683.35	236,683.35