



SABAH, MALAYSIA

Warta Kerajaan

Diterbitkan dengan kuasa

Jil. LXVIII]

KOTA KINABALU, KHAMIS, 27 JUN 2013

[No. 25

Kenyataan-kenyataan berikut adalah diterbitkan atas perintah Tuan Yang Terutama Yang di-Pertua Negeri untuk Makluman Umum.

TAN SRI DATUK SERI PANGLIMA HAJI SUKARTI BIN WAKIMAN,
Setiausaha Kerajaan Negeri.

No. 537

[No. JKM.PHB. 600-2/5/36 (38)

KORRIGENDUM

Dalam Pemberitahuan *Warta* No. 266/2013 yang disiarkan dalam *Warta Kerajaan* pada 18 April 2013 dan diulangi pada 25 April 2013, potongkan nama-nama “Buyung bin Bood @ Lahap”, “Buyung bin Kong Kong”, “Awot bin Abu Bakar”, “Hashim bin Asgari”, dan “Datu Mohd. Kamalul bin Datu Basarudin”, masing-masing dalam ruang “pemilik” bil. 43, 44, 59, 60 dan 61 dan gantikan padanya dengan nama-nama yang berikut - “Buyong bin Bood @ Lahap”, “Buyong bin Kong Kong”, “Iefah Syazmani binti Rasmah”, “Faradhilah binti Ramsah” dan “Norfaddlina binti Ramsah”.

[No. JKM.PHB. 600-2/5/36 (38)

CORRIGENDUM

In *Gazette Notification* No. 266/2013, published in the *Government Gazette* dated 18th April, 2013 and repeated on 25th April, 2013, delete the names “Buyung bin Bood @ Lahap”, “Buyung bin Kong Kong”, “Awot bin Abu Bakar”, “Hashim bin Asgari”, and “Datu Mohd. Kamalul bin Datu Basarudin”, appearing under the column “Owner(s)” in item No. 43, 44, 59, 60 and 61 respectively and substitute thereof with the following - “Buyong bin Bood @ Lahap”, “Buyong bin Kong Kong”, “Iefah Syazmani binti Rasmah”, “Faradhilah binti Ramsah” and “Norfaddlina binti Ramsah”.

No. 538

[No. KKT&P: 400-14/2 Jld. 5

SIJIL KETUA AUDIT NEGARA MENGENAI PENYATA KEWANGAN
LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
BAGI TAHUN BERAKHIR 31 DISEMBER 2010

Penyata Kewangan Lembaga Pembangunan Perumahan dan Bandar dan Kumpulan bagi tahun berakhir 31 Disember 2010 telah diaudit oleh wakil saya. Pihak pengurusan bertanggungjawab terhadap Penyata Kewangan ini. Tanggungjawab saya adalah mengaudit dan memberi pendapat terhadap Penyata Kewangan tersebut.

2. Pengauditan telah dilaksanakan mengikut Akta Audit 1957 dan berpandukan piawaian pengauditan yang diluluskan. Piawaian tersebut menghendaki pengauditan dirancang dan dilaksanakan untuk mendapat kepastian yang munasabah sama ada Penyata Kewangan adalah bebas daripada kesilapan atau ketinggalan yang ketara. Pengauditan itu termasuk memeriksa rekod secara semak uji, menyemak bukti yang menyokong angka dan memastikan pendedahan yang mencukupi dalam Penyata Kewangan. Penilaian juga dibuat terhadap prinsip perakaunan yang digunakan, unjuran signifikan oleh pengurusan dan persembahan Penyata Kewangan secara keseluruhan. Saya percaya pengauditan yang dilaksanakan memberi asas yang munasabah terhadap pendapat saya.

3. Kecuali apa yang dinyatakan dalam Laporan Ketua Audit Negara, pada pendapat saya Penyata Kewangan ini memberi gambaran yang benar dan saksama terhadap kedudukan kewangan Lembaga Pembangunan Perumahan dan Bandar dan Kumpulan pada 31 Disember 2010, hasil operasi dan aliran tunai untuk tahun tersebut berdasarkan piawaian perakaunan yang diluluskan.

4. Saya telah mempertimbangkan Penyata Kewangan dan Laporan Juruaudit bagi semua subsidiari yang tidak diaudit oleh saya seperti yang dinyatakan dalam nota kepada Penyata Kewangan berkenaan yang disatukan dengan Penyata Kewangan Lembaga Pembangunan Perumahan dan Bandar adalah dalam bentuk dan kandungan yang sesuai dan wajar bagi tujuan penyediaan Penyata Kewangan Disatukan. Saya juga telah menerima maklumat dan penjelasan yang memuaskan sebagaimana yang dikehendaki bagi tujuan tersebut.

5. Kecuali seperti yang dinyatakan dalam Laporan Ketua Audit Negara, Laporan Juruaudit mengenai Penyata Kewangan subsidiari lain tidak mengandungi sebarang pemerhatian yang boleh menjejaskan Penyata Kewangan Disatukan.

PATIMAH BINTI RAMUJI,
b.p. Ketua Audit Negara,
Malaysia.

Kota Kinabalu.

Bertarikh: 18 Ogos 2011.

LAPORAN KETUA AUDIT NEGARA MENGENAI PENYATA KEWANGAN
LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
BAGI TAHUN BERAKHIR 31 DISEMBER 2010

Laporan Ketua Audit Negara ini hendaklah dibaca bersama-sama dengan Sijil Ketua Audit Negara bagi menyokong pendapat Audit terhadap Penyata Kewangan tersebut.

2. Pemerhatian Audit terhadap Penyata Kewangan adalah seperti berikut:

2.1 *Penyata Kewangan Tidak Disatukan Dengan Lengkap*

Lembaga mempunyai tiga syarikat subsidiari tetapi Lembaga hanya menyediakan Penyata Kewangan Kumpulan yang menyatukan Penyata Kewangan Lembaga dengan Penyata Kewangan dua subsidiarinya. Manakala Penyata Kewangan Kuala Menggatal Development Corporation Sdn. Bhd. tidak disatukan dengan Penyata Kewangan Lembaga. Tindakan ini adalah tidak mematuhi piawaian perakaunan yang diluluskan iaitu Lembaga Piawaian Perakaunan Malaysia (MASB) 11 mengenai Penyata Kewangan Disatukan dan Pelaburan Dalam Subsidiari.

2.2 *Laporan Juruaudit Terhadap Penyata Kewangan Syarikat Subsidiari*

Laporan Juruaudit ke atas Penyata Kewangan syarikat subsidiari yang mengandungi teguran adalah seperti berikut:

(a) *Superpanel (Sabah) Sdn. Bhd.*

Merujuk kepada Nota 3 di Penyata Kewangan pada tahun 2010, syarikat telah mempunyai lebih liabiliti atas nilai asetnya sebanyak RM471,650 dan terdapat pengurangan di dana pemegang saham berjumlah RM685,915. Penyata Kewangan syarikat telah disediakan mengikut asas berterusan. Kesenambungan operasi syarikat adalah bergantung kepada sumbangan kewangan yang diterima daripada lembaga pengarah, para pemiutang, perbankan dan kebolehan menjana keuntungan di masa akan datang.

3. Langkah-langkah pembedahan yang sewajarnya hendaklah diambil oleh pihak pengurusan Lembaga Pembangunan Perumahan dan Bandar untuk meningkatkan lagi akauntabiliti awam.

PATIMAH BINTI RAMUJI,
b.p. Ketua Audit Negara,
Malaysia.

Kota Kinabalu.

Bertarikh: 18 Ogos 2011.

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)

STATEMENT BY THE CHAIRMAN AND GENERAL MANAGER

In our opinion, the financial statements set out on pages 1,372 to 1,390 are drawn up so as to give a true and fair view of the state of affairs of the Authority at 31st December, 2010 and of the results of its operations and cash flows for the year ended on that date.

On behalf of the Board,

YB DATUK RUBIN BALANG
(Chairman)

HAJJAH ROSNANI BINTI ASMAT
(Deputy General Manager)

Kota Kinabalu.

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)

STATUTORY DECLARATION

I, CHIN SU ME, the officer primarily responsible for the financial management of Lembaga Pembangunan Perumahan dan Bandar (Housing and Town Development Authority), do solemnly and sincerely declare that the financial statements set out on pages 1,372 to 1,390 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 Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed CHIN SU ME at
Kota Kinabalu in the State of Sabah
on 7th June, 2011.

} CHIN SU ME

Before me,

DATUK CLAUDIUS ROMAN, J.P.,
Pesuruhjaya Sumpah,
Malaysia.

Kota Kinabalu.

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)

BALANCE SHEET AT 31ST DECEMBER, 2010

	<i>Note</i>	2010 RM	2009 RM
PROPERTY, PLANT AND EQUIPMENT	3	16,016,209	15,457,090
INVESTMENTS IN SUBSIDIARIES ...	4	7,417,689	7,417,689
HOUSING DEBTORS	5	25,780,063	26,087,398
		<u>49,213,961</u>	<u>48,962,177</u>
CURRENT ASSETS			
Housing debtors	5	9,997,883	13,647,092
Inventories of unsold houses ...	6	28,059,166	30,127,637
Development properties		17,760,423	17,729,085
Other receivables, deposits and prepayments	7	12,410,612	17,968,590
Amount due from subsidiaries ...	8	8,935,769	8,449,272
Fixed deposits	9	57,446,509	39,428,972
Cash and bank balances		12,780,943	10,081,116
		<u>147,391,305</u>	<u>137,431,764</u>
CURRENT LIABILITIES			
Trade payables	10	5,801,491	8,349,581
Other payables and accruals ...		48,109,335	40,081,521
Provision	11	3,577,387	4,412,764
Housing deposits		2,013,973	1,482,098
State Government loans	12	17,868,886	17,251,204
Federal Government loans	13	18,571,344	19,566,679
Government trust funds	14	9,116,452	9,440,907
		<u>105,058,868</u>	<u>100,584,754</u>
NET CURRENT ASSETS		42,332,437	36,847,010
		<u>91,546,398</u>	<u>85,809,187</u>

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)

BALANCE SHEET AT 31ST DECEMBER, 2010 - (cont.)

		<i>Note</i>	2010 RM	2009 RM	
FINANCED BY:					
ACCUMULATED FUNDS	<u>58,985,311</u>	<u>49,431,462</u>	
LONG TERM AND DEFERRED LIABILITIES					
State Government loans	12	18,418,787	18,822,925
Federal Government loans	13	<u>14,142,300</u>	<u>17,554,800</u>
			<u>32,561,087</u>	<u>36,377,725</u>	
			<u>91,546,398</u>	<u>85,809,187</u>	

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)

INCOME STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2010

	<i>Note</i>	<i>2010</i> RM	<i>2009</i> RM
REVENUE	15	22,483,547	13,623,006
Cost of sales		-	-
		<hr/>	<hr/>
GROSS PROFIT		22,483,547	13,623,006
Other operating income		10,576,448	8,119,265
Administrative expenses		(23,870,661)	(18,589,737)
		<hr/>	<hr/>
OPERATING PROFIT	16	9,189,334	3,152,534
Interest income... ..		1,600,552	1,615,755
Interest expense		(1,178,414)	(1,226,284)
		<hr/>	<hr/>
PROFIT BEFORE TAXATION		9,611,472	3,542,005
Tax expense	17	(57,623)	(25,672)
		<hr/>	<hr/>
NET PROFIT OF THE YEAR		<u>9,553,849</u>	<u>3,516,333</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31ST DECEMBER, 2010

	<i>Accumulated funds</i> RM
At 1st January, 2009	45,915,129
Net profit for the year	3,516,333
	<hr/>
At 31st December, 2009	49,431,462
Net profit for the year	9,553,849
	<hr/>
At 31st December, 2010	<u>58,985,311</u>

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)

CASH FLOW STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2010

	2010 RM	2009 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,611,472	3,542,005
Adjustments for:		
Allowance for diminution in value	-	2,379,817
Depreciation	1,462,264	947,807
Gain on disposal of property, plant and equipment	(168)	(79,704)
Interest expense	1,178,414	1,226,284
Interest income	(1,600,552)	(1,615,755)
Government loan converted to grant	(5,312,187)	(2,289,568)
Operating profit before working capital changes	5,339,243	4,110,886
(Increase)/Decrease in working capital:		
Housing debtors	3,956,544	7,602,341
Inventories of unsold houses	2,068,471	2,602,375
Development properties	1,282,502	(4,113,357)
Trade and other receivables	5,557,978	1,280,380
Amount due from subsidiaries	(486,497)	(1,229,419)
Trade and other payables	4,962,677	3,703,672
Cash generated from operations	22,680,918	13,956,878
Interest paid	(60,518)	(74,286)
Income tax paid	(57,623)	(25,672)
NET CASH GENERATED FROM OPERATING ACTIVITIES	22,562,777	13,856,920
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,600,552	1,615,755
Proceeds from disposal of property, plant and equipment	200	79,706
Purchase of property, plant and equipment ...	(3,335,254)	(2,708,435)
CASH USED IN INVESTING ACTIVITIES	(1,734,502)	(1,012,974)

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)

CASH FLOW STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2010 - (cont.)

	2010 RM	2009 RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of State Government loans... ..	213,544	5,386,334
Drawdown of Government trust funds... ..	-	155,181
Repayment of Government trust funds... ..	(324,455)	-
CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(110,911)	5,541,515
NET INCREASE IN CASH AND CASH EQUIVALENTS	20,717,364	18,385,461
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	43,510,088	25,124,627
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	64,227,452	43,510,088
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	12,780,943	10,081,116
Fixed deposits	57,446,509	39,428,972
Less: Deposits pledged	(6,000,000)	(6,000,000)
	64,227,452	43,510,088

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(*Housing and Town Development Authority*)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010

1. PRINCIPAL ACTIVITIES

The Authority is a State-owned agency and is governed by the Housing and Town Development Authority Enactment, 1981. The principal activities of the Authority are to develop low cost housing and township projects. There has been no significant change in the nature of these activities during the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are adopted by the Authority and are consistent with those adopted in the previous years.

(a) *Basis of accounting*

The financial statements of the Authority are prepared on the historical cost basis and in compliance with applicable approved accounting standards in Malaysia.

(b) *Property, plant and equipment*

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses, if any.

(c) *Depreciation*

The straight line method is used to write-off the cost of the following assets over the term of their estimated useful lives at the following principal annual rates:

Long term leasehold land	over 50 years
Buildings	2%
Motor vehicles	20%
Office furniture, fittings and equipment	10% - 20%
Renovation	10%
Computer Software	20%

(d) *Impairment*

The carrying amounts of the Authority's assets, other than inventories and financial assets (other than investments in subsidiaries), are 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. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to equity.

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (cont.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont.)

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement, unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

(e) *Development properties*

Land and development expenditure whereby significant development work has been undertaken and is expected to be completed within the normal operating cycle are classified as development properties. Development properties are stated at cost plus attributable profits less foreseeable losses, net of progress billings. Cost includes cost of land, all direct building cost, and other related development expenditure incurred during the period of development.

(f) *Inventories of unsold houses*

Inventories of unsold houses are stated at the lower of cost and net realisable value. Costs include apportioned land cost and development expenditure incurred.

(g) *Revenue*

(i) *Property development*

Profit from property development is recognised using the percentage of completion method. Where foreseeable losses are anticipated, full provision for these losses is made in the financial statements.

(ii) *Developed properties*

Profit on developed properties is recognised when transfer of risks and rewards has been completed.

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (cont.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont.)

(iii) *Privatised projects*

Profit on privatised projects is recognised on an accrual basis based on stipulated fixed schedule.

(iv) *Rental income*

Rental income is recognised on an accrual basis.

(v) *Interest income*

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

(vi) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(h) *Interest on borrowings*

Interest on borrowings is charged against income and no part of the interest is treated as an inherent part of the total cost of property development.

(i) *Provisions*

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation (legal or constructive) as a result of a past event and a reliable estimate can be made of the amount.

(i) *Provision for repairs and maintenance on completed projects*

Provision for repairs and maintenance is made at 5% of cost for low cost housing projects and 3% for all other projects upon their completion.

(j) *Employee benefits*

(i) *Short term benefits*

Wages, salaries, paid leave and sick leave, bonus and non-monetary benefits are recognised in the year in which associated services are rendered by employees of the Authority.

(ii) *Defined contribution plans*

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred. Other retirement benefits are charged against income as and when paid.

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (cont.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont.)

(k) *Government trust funds*

Grants and Trust Funds received from the Federal and State Governments for the development of specific projects are utilised to meet the cost of developing those projects. At the completion of the project, any excess Trust Fund is refundable to the respective governments, while shortfalls are to be recovered and shown as a debit balance in the respective fund.

(l) *Investments*

Long term investments in subsidiaries are stated at cost in the Authority, less impairment loss where applicable.

(m) *Taxation*

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(n) *Cash and cash equivalents*

Cash and cash equivalents consist of cash on hand, balances and deposits with banks. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(o) *Receivables*

Receivables are carried at anticipated realisable value. Bad debts are duly written off. An estimate is made for doubtful debts based on a review of all outstanding amounts at the year end.

(p) *Payables*

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

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(*Housing and Town Development Authority*)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (*cont.*)

3. PROPERTY, PLANT AND EQUIPMENT	Long term leasehold land		Buildings		Motor vehicles		Office furniture, fittings and equipment, and renovation		Total
	RM	RM	RM	RM	RM	RM	RM	RM	
<i>Cost</i>									
At 1st January, 2010	6,521,311	10,379,522	2,473,710	3,151,886	22,526,429				
Additions	1,500	58,786	2,176,095	1,098,873	3,335,254				
Transfers	(1,527,638)	-	-	-	(1,527,638)				
Disposals	-	-	-	(19,630)	(19,630)				
At 31st December, 2010	4,995,173	10,438,308	4,649,805	4,231,129	24,314,415				
<i>Depreciation</i>									
At 1st January, 2010	506,237	2,826,469	1,400,565	2,336,068	7,069,339				
Charge for the year	130,456	208,766	800,811	322,231	1,462,264				
Transfers	(213,799)	-	-	-	(213,799)				
Disposals	-	-	-	(19,598)	(19,598)				
At 31st December, 2010	422,894	3,035,235	2,201,376	2,638,701	8,298,206				
<i>Net Book Value</i>									
At 31st December, 2010	4,572,279	7,403,073	2,448,429	1,592,428	16,016,209				
At 31st December, 2009	6,015,074	7,553,053	1,073,145	815,818	15,457,090				

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(*Housing and Town Development Authority*)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (*cont.*)

3. PROPERTY, PLANT AND EQUIPMENT - (*cont.*)

	<i>Long term leasehold land</i>	<i>Buildings</i>	<i>Motor vehicles</i>	<i>Office furniture, fittings and equipment, and renovation</i>	<i>Total</i>
	RM	RM	RM	RM	RM
Depreciation charge for the year ended					
31st December, 2009...	130,426	207,591	401,009	208,781	947,807

(a) Title to certain buildings of the Authority with cost of RM8,841,230 (2009: RM8,841,230) has yet to be issued.

(b) Certain long term leasehold land of the Authority are charged to financial institution as securities for banking facilities granted to contractors costing RM Nil (2009: RM48,134).

4. INVESTMENTS IN SUBSIDIARIES

	2010	2009
	RM	RM
Unquoted shares at cost	10,006,030	10,006,030
Less: Allowance for diminution in value	(2,588,341)	(2,588,341)
	<u>RM7,417,689</u>	<u>RM7,417,689</u>

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(*Housing and Town Development Authority*)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (*cont.*)

4. INVESTMENTS IN SUBSIDIARIES - (*cont.*)

The principal activities of the subsidiaries, their places of incorporation and the interest of Lembaga Pembangunan Perumahan dan Bandar are as follow:

<i>Name of Company</i>	<i>Principal Activities</i>	<i>Country of Incorporation</i>	<i>Effective Ownership Interests 2010 %</i>	<i>2009 %</i>
Kuala Menggatal Development Corporation Sdn. Bhd.	Property Development	Malaysia	95	95
Supernesa Sdn. Bhd.	Construction work under contract and property development	Malaysia	100	100
Superpanel (Sabah) Sdn. Bhd.	Holding of properties for rental, provision of contract works and related services and insurance agency	Malaysia	100	100

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(*Housing and Town Development Authority*)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (*cont.*)

5. HOUSING DEBTORS

<i>Non-Current</i>	2010	2009
	RM	RM
Low cost housing ...	6,573,555	4,680,565
Low cost shophouses ...	1,862,805	1,871,648
Commercial housing ...	10,228,354	10,837,627
Commercial shophouses ...	1,768,338	2,508,691
Condominium flats ...	5,347,011	6,188,867
	<u>25,780,063</u>	<u>26,087,398</u>
<i>Current</i>		
Low cost housing ...	9,997,883	13,647,092
	<u>RM35,777,946</u>	<u>RM39,734,490</u>

6. INVENTORIES OF UNSOLD HOUSES

Inventories of unsold houses of RM12,051,500 (2009: RM12,559,100) are carried at net realisable value.

7. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Other receivables, deposits and prepayments ...	20,776,923	26,334,901
Less: Allowance for doubtful debts ...	(8,366,311)	(8,366,311)
	<u>RM12,410,612</u>	<u>RM17,968,590</u>

Included in other receivables, deposits and prepayments of the Authority are loans to employees amounting to RM23,267 (2009: RM31,349).

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(*Housing and Town Development Authority*)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (*cont.*)

8. AMOUNT DUE FROM SUBSIDIARIES

The amount due from subsidiaries is unsecured, interest free and repayable on demand.

9. FIXED DEPOSITS

Deposits are placed with Licensed banks... .. 57,446,509 39,428,972

Included in the fixed deposits is an amount of RM6,000,000 (2009: RM6,000,000) of the Authority held on lien by a licensed bank for the overdraft facilities of the Authority.

10. TRADE PAYABLES

Included in trade payables of the Authority is retention sum of RM4,700,983 (2009: RM6,696,305).

11. PROVISION

	2010 RM	2009 RM
Balance at 1st January, 2010	...	4,412,764
Provision made during the year	...	206,375
Provision used during the year	...	(166,722)
Provision reversed during the year	...	(875,030)
Balance at 31st December, 2010	...	<u>RM3,577,387</u>

*Repair and
maintenance*

RM

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(*Housing and Town Development Authority*)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (cont.)

12. STATE GOVERNMENT LOANS

State Government loans - unsecured					
Current	...	...	...	...	17,251,204
Non-current	...	...	...	...	18,822,925
					<u>RM36,074,129</u>

Terms and debts repayment schedule

	Total	Under	1 to 2	2 to 5	Over 5
	RM	1 year	years	years	years
		RM	RM	RM	RM
2010					
Unsecured State Government loans - fixed rate 4% ...	RM36,287,673	RM17,868,886	RM468,890	RM1,861,516	RM16,088,381
2009					
Unsecured State Government loans - fixed rate 4% ...	RM36,074,129	RM17,251,204	RM404,138	RM1,685,411	RM16,733,376

State Government has agreed to convert the government loan to grant amounting to RM23,071,421. An amount of RM5,312,187 (2009: RM2,289,568) has been converted during the financial year.

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (cont.)

13. FEDERAL GOVERNMENT LOANS

		2010 RM		2009 RM
Federal Government loans - unsecured				
Current	...	18,571,344	...	19,566,679
Non-current	...	14,142,300	...	17,554,800
		RM32,713,644		RM37,121,479

Terms and debts repayment schedule

The loans interest is payable as follows:

Loans for condominiums	...	...	...	4.0% to 7.5% per annum
Loans for all other housing projects	...	...	...	4.0% per annum

		Total RM	Under 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM
2010						
Unsecured Federal Government Loans	...	RM32,713,644	RM18,571,344	RM557,661	RM1,843,218	RM11,741,421
2009						
Unsecured Federal Government Loans	...	RM37,121,479	RM19,566,679	RM3,412,500	RM1,756,582	RM12,385,718

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(*Housing and Town Development Authority*)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (*cont.*)

14. GOVERNMENT TRUST FUNDS	2010 RM	2009 RM
State Government Housing Fund	34,276	34,276
State Fund for New Township	1,134,843	1,246,033
State Government Subsidies Fund	2,677,918	4,184,656
State Government Agency Funds	3,269,415	1,975,942
State Revolving Fund (SPP)	2,000,000	2,000,000
	<u>RM9,116,452</u>	<u>RM9,440,907</u>
15. REVENUE		
Profit from privatised projects	20,242,891	12,740,498
Profit from sales of completed properties	2,240,656	882,508
	<u>RM22,483,547</u>	<u>RM13,623,006</u>
16. OPERATING PROFIT		
<i>Operating profit is arrived at after crediting:</i>		
Gain on disposal of property, plant and equipment	168	79,704
Management fees	1,243,293	489,232

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(*Housing and Town Development Authority*)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (*cont.*)

	2010 RM	2009 RM
16. OPERATING PROFIT - (<i>cont.</i>)		
Rental income	2,705,411	3,950,760
Government loan converted to grant	<u>5,312,187</u>	<u>2,289,568</u>
<i>and after charging:</i>		
Allowance for diminution in value	-	2,379,817
Auditors' remuneration	23,163	16,105
Board members' remuneration		
- other emoluments	313,700	251,964
- study tour	187,476	22,067
Depreciation	<u>1,462,264</u>	<u>947,807</u>
17. TAX EXPENSE		
Current Tax Expense	<u>57,623</u>	<u>25,672</u>
<i>Reconciliation of effective tax rate:</i>		
Profit before taxation	<u>9,611,472</u>	<u>3,542,005</u>

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(*Housing and Town Development Authority*)

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (*cont.*)

17. TAX EXPENSE - (<i>cont.</i>)	2010 RM	2009 RM
Income tax using Malaysia tax rate	2,402,868	920,921
Tax exempt income	(2,206,232)	(1,149,616)
Non-deductible expenses - others	247,425	254,367
Unabsorbed capital allowance now utilised	(386,438)	-
Tax expense	<u>RM57,623</u>	<u>RM25,672</u>

18. EMPLOYEES INFORMATION

Staff Costs	<u>11,244,366</u>	<u>9,571,442</u>
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Included in staff costs of the Authority is Employees Provident Fund and other retirement benefits of RM928,661 (2009: RM874,864).
The number of employees of the Authority (excluding directors) at the end of the year was 190 (2009: 187) respectively.

19. CONTINGENT LIABILITIES

The Authority has executed a third party charge over its development properties in favour of the financial institutions for banking facilities granted to developers and contractors amounting to RM198,386,368 (2009: RM84,333,368).

20. COMPARATIVE FIGURES

Certain comparative figures in the financial statements of the Authority have been reclassified to conform with the presentation in the current financial year.

Lampiran A

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED
31ST DECEMBER, 2010

	2010 RM	2009 RM
INCOME		
<i>Revenue</i>		
Profit from privatised projects	20,242,891	12,740,498
Profit from developed properties	2,240,656	882,508
	<u>22,483,547</u>	<u>13,623,006</u>
<i>Other Operating Income</i>		
Gain on disposal of property, plant and equipment	168	79,704
Management fees	1,243,293	489,232
Other income	1,315,389	1,310,001
Rental income	2,705,411	3,950,760
Government loan converted to grant	5,312,187	2,289,568
	<u>10,576,448</u>	<u>8,119,265</u>
<i>Interest Income</i>		
Interest charged to housing debtors	728,757	1,042,508
Interest on fixed deposits and current accounts ...	871,795	573,247
	<u>1,600,552</u>	<u>1,615,755</u>
	<u>34,660,547</u>	<u>23,358,026</u>
LESS: EXPENDITURE		
<i>Administrative Expenses</i>		
<i>Staff Costs</i>		
Education	267,303	28,300
Employees' Provident Fund contributions	531,400	506,161
Medical expenses	997,961	420,226
Others	36,565	41,438
Pension	397,261	368,703
Salaries, allowance, overtime and bonus	8,946,366	8,103,264
SOCSSO contributions	30,763	28,552
Welfare and recreation	36,747	74,798
	<u>11,244,366</u>	<u>9,571,442</u>

Lampiran A

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED
31ST DECEMBER, 2010 - (cont.)

	2010 RM	2009 RM
<i>Depreciation</i>		
Buildings	208,766	207,591
Long term leasehold land	130,456	130,426
Motor vehicles	800,811	401,009
Office furniture, fittings, equipment and renovation ...	322,231	208,781
	<u>1,462,264</u>	<u>947,807</u>
<i>Other Operating Expenses</i>		
Advertising and promotion	1,849	7,096
Allowance for diminution in value	-	2,379,817
Auditors' remuneration	23,163	16,105
Bank charges	4,142	3,979
Board members' remuneration		
- other emoluments	313,700	251,964
- study tour	187,476	22,067
Electricity and water	32,010	121,047
Insurance	274,092	264,728
Land premium and other charges	245,318	394,675
Provision for land premium... ..	4,824,000	-
Other administrative and establishment expenses ...	775,936	534,063
Post completed projects	699,448	546,494
Printing and stationery	192,096	143,025
Professional and consultancy fee	163,190	203,296
Repair and maintenance		
- general housing	2,396,625	2,163,579
- motor vehicle	130,633	120,588
- office, furniture and equipment	361,823	366,300
Telephone and postage	75,740	72,303
Travelling and accommodation	329,636	298,219
Vehicle running expenses	133,154	161,143
	<u>11,164,031</u>	<u>8,070,488</u>
	<u>23,870,661</u>	<u>18,589,737</u>

Lampiran A

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED
31ST DECEMBER, 2010 - (cont.)

	2010 RM	2009 RM
<i>Interest Expense</i>		
Interest on State and Federal loans	1,117,896	1,151,998
Interest on bank overdraft	60,518	74,286
	<u>1,178,414</u>	<u>1,226,284</u>
<i>Tax Expense</i>		
	57,623	25,672
	<u>25,106,698</u>	<u>19,841,693</u>
Net profit for the year... ..	<u>RM9,553,849</u>	<u>RM3,516,333</u>

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)
AND ITS SUBSIDIARIES

STATEMENT BY THE CHAIRMAN AND GENERAL MANAGER

In our opinion, the financial statements set out on pages 1,396 to 1,428 are drawn up so as to give a true and fair view of the state of affairs of the Authority at 31st December, 2010 and of the results of its operations and cash flows for the year ended on that date.

On behalf of the Board,

YB DATUK RUBIN BALANG
(Chairman)

HAJJAH ROSNANI BINTI ASMAT
(Deputy General Manager)

Kota Kinabalu.

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)
AND ITS SUBSIDIARIES

STATUTORY DECLARATION

I, CHIN SU ME, the officer primarily responsible for the financial management of Lembaga Pembangunan Perumahan dan Bandar (Housing and Town Development Authority), do solemnly and sincerely declare that the financial statements set out on pages 1,396 to 1,428 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 Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed CHIN SU ME at
Kota Kinabalu in the State of Sabah
on 7th June, 2011.

} CHIN SU ME

Before me,

DATUK CLAUDIUS ROMAN, J.P.,
Pesuruhjaya Sumpah,
Malaysia.

Kota Kinabalu.

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(*Housing and Town Development Authority*)
AND ITS SUBSIDIARIES

BALANCE SHEET AT 31ST DECEMBER, 2010

	<i>Note</i>	<i>Group</i>		<i>Authority</i>	
		<i>2010</i> RM	<i>2009</i> RM	<i>2010</i> RM	<i>2009</i> RM
PROPERTY, PLANT AND EQUIPMENT	3	16,660,616	16,196,428	16,016,209	15,457,090
INVESTMENTS IN SUBSIDIARIES ...	4	-	-	7,417,689	7,417,689
LAND HELD FOR PROPERTY DEVELOPMENT ...	5	-	-	-	-
HOUSING DEBTORS INVESTMENT PROPERTIES ...	6	25,780,063	26,087,398	25,780,063	26,087,398
	7	-	-	-	-
		42,440,679	42,283,826	49,213,961	48,962,177
CURRENT ASSETS					
Housing debtors	6	9,997,883	13,647,092	9,997,883	13,647,092
Inventories of unsold houses ...	8	28,059,166	30,127,637	28,059,166	30,127,637
Development properties ...		17,760,423	17,729,085	17,760,423	17,729,085
Trade receivables	9	16,790,938	20,739,331	-	-
Other receivables, deposits and prepayments ...	10	13,581,753	18,433,904	12,410,612	17,968,590
Amount due from subsidiaries ...	11	-	-	8,935,769	8,449,272
Tax recoverable		-	-	-	-
Fixed deposits ...	12	58,296,509	40,278,972	57,446,509	39,428,972
Cash and bank balances ...		12,784,263	10,103,346	12,780,943	10,081,116
		157,270,935	151,059,367	147,391,305	137,431,764

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)
AND ITS SUBSIDIARIES

BALANCE SHEET AT 31ST DECEMBER, 2010 - (cont.)

	Note	Group		Authority	
		2010 RM	2009 RM	2010 RM	2009 RM
CURRENT LIABILITIES					
Trade payables ...		18,017,231	21,981,102	5,801,491	8,349,581
Other payables and accruals... ..		42,316,845	34,509,482	48,109,335	40,081,521
Amount due to contract custo- mers	13	458,423	878,149	-	-
Provision... ..	14	3,577,387	4,412,764	3,577,387	4,412,764
Housing deposits		2,013,973	1,482,098	2,013,973	1,482,098
Bank overdrafts ...	15	396,787	397,652	-	-
Hire purchase li- abilities... ..	16	53,495	50,004	-	-
State Government loans	17	17,868,886	17,251,204	17,868,886	17,251,204
Federal Government loans	18	18,571,344	19,566,679	18,571,344	19,566,679
Government trust funds	19	9,116,452	9,440,907	9,116,452	9,440,907
Taxation... ..		673,215	852,656	-	-
		<u>113,064,038</u>	<u>110,822,697</u>	<u>105,058,868</u>	<u>100,584,754</u>
NET CURRENT ASSETS		<u>44,206,897</u>	<u>40,236,670</u>	<u>42,332,437</u>	<u>36,847,010</u>
		<u>86,647,576</u>	<u>82,520,496</u>	<u>91,546,398</u>	<u>85,809,187</u>

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)

AND ITS SUBSIDIARIES

BALANCE SHEET AT 31ST DECEMBER, 2010 - (cont.)

	<i>Note</i>	<i>Group</i>		<i>Authority</i>	
		<i>2010</i> RM	<i>2009</i> RM	<i>2010</i> RM	<i>2009</i> RM
FINANCED BY:					
ACCUMULATED FUNDS		54,086,489	46,089,276	58,985,311	49,431,462
MINORITY SHARE- HOLDERS' INTEREST	20	-	-	-	-
LONG TERM AND DEFERRED LIABILITIES					
Hire Purchase Liabilities	... 16	-	53,495	-	-
State Government loans	... 17	18,418,787	18,822,925	18,418,787	18,822,925
Federal Government loans	... 18	14,142,300	17,554,800	14,142,300	17,554,800
		<u>32,561,087</u>	<u>36,431,220</u>	<u>36,377,725</u>	<u>36,377,725</u>
		<u>86,647,576</u>	<u>82,520,496</u>	<u>91,546,398</u>	<u>85,809,187</u>

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR

(Housing and Town Development Authority)

AND ITS SUBSIDIARIES

INCOME STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2010

	<i>Note</i>	<i>Group</i>		<i>Authority</i>	
		<i>2010</i> RM	<i>2009</i> RM	<i>2010</i> RM	<i>2009</i> RM
REVENUE	21	27,520,826	26,294,880	22,483,547	13,623,006
Cost of sales		(4,400,152)	(11,390,952)	-	-
GROSS PROFIT		23,120,674	14,903,928	22,483,547	13,623,006
Other operating income		10,440,647	8,179,265	10,576,448	8,119,265
Administrative expenses... ..		(25,931,040)	(27,026,728)	(23,870,661)	(18,589,737)
OPERATING PROFIT/ (LOSS)	22	7,630,281	(3,943,535)	9,189,334	3,152,534
Interest income		1,614,924	1,639,809	1,600,552	1,615,755
Interest expense		(1,215,249)	(1,241,954)	(1,178,414)	(1,226,284)
PROFIT/(LOSS) BE- FORE TAXATION		8,029,956	(3,545,680)	9,611,472	3,542,005
Tax expense... ..	23	(32,743)	(175,672)	(57,623)	(25,672)
PROFIT/(LOSS) AFTER TAXATION		(7,997,213)	3,721,352	9,553,849	3,516,333
Minority interests	20	-	-	-	-
NET PROFIT/(LOSS) OF THE YEAR		7,997,213	(3,721,352)	9,553,849	3,516,333

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31ST DECEMBER, 2010

<i>Group</i>	<i>Accumulated funds</i> RM
At 1st January, 2009	49,810,628
Net loss for the year	(3,721,352)
At 31st December, 2009	<u>46,089,276</u>
Net profit for the year	7,997,213
At 31st December, 2010	<u><u>54,086,489</u></u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31ST DECEMBER, 2010

<i>Authority</i>	<i>Accumulated funds</i> RM
At 1st January, 2009	45,915,129
Net profit for the year	<u>3,516,333</u>
At 31st December, 2009	49,431,462
Net profit for the year	9,553,849
At 31st December, 2010	<u><u>58,985,311</u></u>

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)
AND ITS SUBSIDIARIES

CASH FLOW STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2010

	<i>Group</i>		<i>Authority</i>	
	<i>2010</i> RM	<i>2009</i> RM	<i>2010</i> RM	<i>2009</i> RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation ...	8,029,956	(3,545,680)	9,611,472	3,542,005
Adjustments for:				
Allowance for diminution in value	-	-	-	2,379,817
Depreciation ...	1,580,429	1,054,340	1,462,264	947,807
Gain on disposal of property, plant and equipment ...	(64,168)	(79,706)	(168)	(79,704)
Interest expense ...	1,215,249	1,226,284	1,178,414	1,226,284
Interest income ...	(1,614,924)	(1,615,755)	(1,600,552)	(1,615,755)
Loss on disposal of property, plant and equipment...	-	-	-	-
Reversal of allowance for diminution in value ...	-	-	-	-
Government loan converted to grant	(5,312,187)	(2,289,568)	(5,312,187)	(2,289,568)
Operating profit/(loss) before working capital changes ...	3,834,355	(5,250,085)	5,339,243	4,110,886
(Increase)/Decrease in working capital:				
Land help for property development ...	-	7,724,916	-	-
Housing debtors ...	3,956,544	7,602,341	3,956,544	7,602,341
Inventories of unsold houses ...	2,068,471	2,602,375	2,068,471	2,602,375
Development properties...	1,282,502	(4,113,357)	1,282,502	(4,113,357)
Amount due to a contract customers	(419,726)	69,343	-	-
Trade and other receivables ...	8,788,228	3,036,778	5,557,978	1,280,380

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)
AND ITS SUBSIDIARIES

CASH FLOW STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2010 - (cont.)

	<i>Group</i>		<i>Authority</i>	
	<i>2010</i> RM	<i>2009</i> RM	<i>2010</i> RM	<i>2009</i> RM
Amount due from subsidiaries ...	-	-	(486,497)	(1,229,419)
Trade and other payables... ..	3,141,761	(4,942,308)	4,962,677	3,703,673
Cash generated from operations	22,652,135	6,730,003	22,680,918	13,956,878
Interest paid	(97,353)	(74,286)	(60,518)	(74,286)
Income tax paid	(27,499)	(25,672)	(57,623)	(25,672)
NET CASH GENERATED FROM OPERATING ACTIVITIES	22,527,283	6,630,045	22,562,777	13,856,920
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,614,924	1,615,755	1,600,552	1,615,755
Proceeds from disposal of property, plant and equipment... ..	64,200	79,706	200	79,706
Purchase of property, plant and equipment	(3,346,172)	(2,708,435)	(3,335,254)	(2,708,435)
NET CASH USED IN INVESTING ACTIVITIES	(1,667,048)	(1,012,974)	(1,734,502)	(1,012,974)
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of State Government loans	213,544	5,386,334	213,544	5,386,334
Drawdown of Government trust funds	-	155,181	-	155,181
Repayment of Government trust funds	(324,455)	-	(324,455)	-
Repayment of hire purchase	(50,004)	-	-	-

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)
AND ITS SUBSIDIARIES

CASH FLOW STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2010 - (cont.)

	<i>Group</i>		<i>Authority</i>	
	<i>2010</i> RM	<i>2009</i> RM	<i>2010</i> RM	<i>2009</i> RM
NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES	(160,915)	5,541,515	(110,911)	5,541,515
NET INCREASE IN CASH AND CASH EQUI- VALENTS	20,699,320	11,158,586	20,717,364	18,385,461
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	43,134,666	32,174,080	43,510,088	25,124,627
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>63,833,986</u>	<u>43,134,666</u>	<u>64,227,452</u>	<u>43,510,088</u>
CASH AND CASH EQUIVALENTS COM- PRISE:				
Cash and bank balances	12,784,263	10,103,346	12,780,943	10,081,116
Fixed deposits ...	58,296,509	40,278,972	57,446,509	39,428,972
Less: Deposits pledged	(6,850,000)	(6,850,000)	(6,000,000)	(6,000,000)
	<u>64,230,772</u>	<u>43,532,318</u>	<u>64,227,452</u>	<u>43,510,088</u>
Bank overdrafts ...	(396,787)	(397,652)	-	-
	<u>63,833,985</u>	<u>43,134,666</u>	<u>64,227,452</u>	<u>43,510,088</u>

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)

AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010

1. PRINCIPAL ACTIVITIES

The Authority is a State-owned agency and is governed by the Housing and Town Development Authority Enactment, 1981. The principal activities of the Authority are to develop low cost housing and township projects, whilst the principal activities of the subsidiaries are stated in Note 4. There has been no significant change in the nature of these activities during the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are adopted by the Group and the Authority and are consistent with those adopted in the previous years.

(a) *Basis of accounting*

The financial statements of the Group and the Authority are prepared on the historical cost basis and in compliance with applicable approved accounting standards in Malaysia.

(b) *Basis of consolidation*

Subsidiaries are those enterprise controlled by the Authority. Control exists when the authority has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between acquisition cost and the fair value of the subsidiaries' net assets is reflected as goodwill or negative goodwill as appropriate.

Intragroup transactions and balances and the result unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

(c) *Property, plant and equipment*

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses, if any.

The Group revalues its property comprising land and building every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (cont.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont.)

Surpluses arising from revaluation are dealt with in the property revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to the income statement.

Property, plant and equipment retired from active use and held for disposal are stated at the carrying amount at the date when the asset is retired from active use, less impairment losses, if any.

(d) *Depreciation*

The straight line method is used to write-off the cost of the following assets over the term of their estimated useful lives at the following principal annual rates:

Long term leasehold land	over 50 years
Buildings	2%
Motor vehicles	20%
Plant and machinery	20%
Office furniture, fittings and equipment	10% - 20%
Renovation	10%
Computer Software	20%

A long term leasehold land of the Group with an unexpired lease period of 75 years at year end is not amortised. The non-amortisation does not have a material effect on the financial statements.

(e) *Impairment*

The carrying amounts of the Group's assets, other than inventories and financial assets (other than investments in subsidiaries), are 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. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to equity.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (cont.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont.)

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement, unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

(f) *Investment properties*

Investment properties are treated as long term investments and are stated at cost. An allowance is made when the directors are of the view that there is a diminution in their value which is other than temporary.

(g) *Development properties*

Land and development expenditure whereby significant development work has been undertaken and is expected to be completed within the normal operating cycle are classified as development properties. Development properties are stated at cost plus attributable profits less foreseeable losses, net of progress billings. Cost includes cost of land, all direct building cost, and other related development expenditure incurred during the period of development.

(h) *Inventories of unsold houses*

Inventories of unsold houses are stated at the lower of cost and net realisable value. Costs include apportioned land cost and development expenditure incurred.

(i) *Revenue*

(i) *Property development*

Profit from property development is recognised using the percentage of completion method. Where foreseeable losses are anticipated, full provision for these losses is made in the financial statements.

Profit from property development undertaken by another developer on the Group's and Authority's land is recognised using the percentage of completion method determined on the proportion of value of development units

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (cont.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont.)

sold against total saleable value and is calculated based on the Group's and Authority's entitlement on properties sold by the developer.

(ii) *Developed properties*

Profit on developed properties is recognised when transfer of risks and rewards has been completed.

(iii) *Privatised projects*

Profit on privatised projects is recognised on an accrual basis based on stipulated fixed schedule.

(iv) *Construction contracts*

Revenue from fixed price construction contracts is recognised on the percentage of completion method measured by reference to the percentage of contract costs incurred to date to estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable to be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

An expected loss on a contract is recognised immediately in the income statement.

(v) *Rental income and net insurance commission*

Rental income is recognised on an accrual basis and net insurance commission is recognised when services are rendered.

(vi) *Interest income and net insurance commission*

Interest income is recognised in the income statement as it accrues, taking into account effective yield on the asset.

(vii) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(viii) *Project entitlements*

The entitlements, pursuant to the agreement entered with the joint venture partners, are recognised on accrual basis based on stipulated fixed schedule.

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AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (cont.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont.)

(j) *Interest on borrowings*

Interest on borrowings is charged against income and no part of the interest is treated as an inherent part of the total cost of property development.

(k) *Provisions*

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation (legal or constructive) as a result of a past event and a reliable estimate can be made of the amount.

(i) *Provision for repairs and maintenance on completed projects*

Provision for repairs and maintenance is made at 5% of cost for low cost housing projects and 3% for all other projects upon their completion.

(l) *Employee benefits*

(i) *Short term benefits*

Wages, salaries, paid leave and sick leave, bonus and non-monetary benefits are recognised in the year in which associated services are rendered by employees of the Group and of the Authority.

(ii) *Defined contribution plans*

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred. Other retirement benefits are charged against income as and when paid.

(m) *Government trust funds*

Grants and Trust Funds received from the Federal and State Governments for the development of specific projects are utilised to meet the cost of developing those projects. At the completion of the project, any excess Trust Fund is refundable to the respective governments, while shortfalls are to be recovered and shown as a debit balance in the respective fund.

(n) *Investments*

Long term investments in subsidiaries are stated at cost in the Authority, less impairment loss where applicable.

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (cont.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont.)

(o) *Income tax*

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(p) *Cash and cash equivalents*

Cash and cash equivalents consist of cash on hand, balances and deposits with banks. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(q) *Land held for property development*

Land held for property development consist of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the Company's normal operating cycle of 2 to 3 years. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be within the Company's normal operating cycle of 2 to 3 years.

Cost of land held for property development comprise cost associated with the acquisition of land and all cost incurred subsequent to the acquisition but prior to reclassification to property development costs on activities necessary to prepare the land for its intended use.

Cost associated with the acquisition of land includes the purchase price of the land, professional fee, stamp duties, commissions, conversion fees and other relevant levies.

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (cont.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (cont.)

(r) *Hire purchase liabilities*

The cost of property, plant and equipment acquired under hire purchase agreement is capitalised under property, plant and equipment and the corresponding obligations are taken up as liabilities. Hire purchase interest is taken up in the income statement on a sum-of-digits basis over the period of the hire purchase agreement.

(s) *Amount due to contract customers*

Amount due to contract customers on construction contracts is stated at cost plus attributable profits less foreseeable losses and less progress billings. Cost includes all direct construction costs and other related costs. Where progress billings exceed the aggregate amount due from contract customers plus attributable profits less foreseeable losses, the net credit balance on all such contracts is shown under current liabilities as amount due to contract customers.

(t) *Receivables*

Receivables are carried at anticipated realisable value. Bad debts are duly written off. An estimate is made for doubtful debts based on a review of all outstanding amounts at the year end.

(u) *Payables*

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

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (cont.)

3. PROPERTY, PLANT AND EQUIPMENT		Land and building	Motor vehicles, plant and machinery	Office furniture, fittings and equipment, and renovation	Total
<i>Group</i>		RM	RM	RM	RM
<i>Cost/Valuation</i>					
At 1st January, 2010	...	17,200,833	3,215,423	3,709,168	24,125,424
Additions	...	60,286	2,176,095	1,119,376	3,355,757
Transfers	...	(1,527,638)	-	-	(1,527,638)
Disposal	...	-	-	(19,630)	(19,630)
Written off	...	-	(320,000)	-	(320,000)
At 31st December, 2010	...	15,733,481	5,071,518	4,808,914	25,613,913
<i>Representing items at:</i>					
Cost	...	15,433,481	5,071,518	4,808,914	25,313,913
Valuation	...	300,000	-	-	300,000
At 31st December, 2010	...	15,733,481	5,071,518	4,808,914	25,613,913
<i>Depreciation</i>					
At 1st January, 2010	...	3,353,832	1,987,841	2,587,323	7,928,996
Charge for the year...	...	343,447	867,793	369,189	1,580,429
Transfers	...	(213,799)	-	-	(213,799)
Disposal	...	-	-	(22,329)	(22,329)
Written off	...	-	(320,000)	-	(320,000)
At 31st December, 2010	...	3,483,480	2,535,634	2,934,183	8,953,297

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (cont.)

3. PROPERTY, PLANT AND EQUIPMENT - (cont.)	Group	Land and building		Motor vehicles, plant and machinery		Office furniture, fittings and equipment, and renovation		Total
		RM	RM	RM	RM	RM	RM	
<i>Net Book Value</i>								
At 31st December, 2010		12,250,001	2,535,884	1,874,731	16,660,616			
At 31st December, 2009		13,847,001	1,227,582	1,121,845	16,196,428			
Depreciation charge for the year ended								
31st December, 2009		342,242	490,311	221,787	1,054,340			

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(*Housing and Town Development Authority*)
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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (cont.)

3. PROPERTY, PLANT AND EQUIPMENT - (cont.)	<i>At valuation <-----At cost-----></i>			
	<i>Land and buildings</i>	<i>Long term leasehold land</i>	<i>Long term leasehold land</i>	<i>Buildings</i>
<i>Group</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
<i>Cost/Valuation</i>				
At 1st January, 2010	300,000	6,521,311	10,379,522	17,200,833
Additions	-	1,500	58,786	60,286
At 31st December, 2010	300,000	6,522,811	10,438,308	17,261,119
<i>Depreciation</i>				
At 1st January, 2010	21,126	506,237	2,826,469	3,353,832
Charge for the year... ..	4,225	130,456	208,766	343,447
At 31st December, 2010	25,351	636,693	3,035,235	3,697,279
<i>Net Book Value</i>				
At 31st December, 2010	274,649	5,886,118	7,403,073	13,563,840
At 31st December, 2009	278,874	6,015,074	7,553,053	13,847,001
Depreciation charge for the year ended 31st December, 2009	4,225	130,426	207,591	342,242

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AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (cont.)

3. PROPERTY, PLANT AND EQUIPMENT - (cont.)	Long term leasehold land		Buildings		Motor vehicles		Office furniture, fittings and equipment, and renovation		Total
	RM	RM	RM	RM	RM	RM	RM	RM	
<i>Authority Cost</i>									
At 1st January, 2010	6,521,311	10,379,522	2,473,710	3,151,886	22,526,429				
Additions	1,500	58,786	2,176,095	1,098,873	3,335,254				
Transfers	(1,527,638)	-	-	-	(1,527,638)				
Disposals	-	-	-	(19,630)	(19,630)				
At 31st December, 2010	4,995,173	10,438,308	4,649,805	4,231,129	24,314,415				
<i>Depreciation</i>									
At 1st January, 2010	506,237	2,826,469	1,400,565	2,336,068	7,069,339				
Charge for the year	130,456	208,766	800,811	322,231	1,462,264				
Transfers	(213,799)	-	-	-	(213,799)				
Disposals	-	-	-	(19,598)	(19,598)				
At 31st December, 2010	422,894	3,035,235	2,201,376	2,638,701	8,298,206				
<i>Net Book Value</i>									
At 31st December, 2010	4,572,279	7,403,073	2,448,429	1,592,428	16,016,209				
At 31st December, 2009	6,015,074	7,553,053	1,073,145	815,818	15,457,090				
Depreciation charge for the year ended 31st December, 2009	130,426	207,591	401,009	208,781	947,807				

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AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (*cont.*)

3. PROPERTY, PLANT AND EQUIPMENT - (*cont.*)

- (a) Title to certain buildings of the Authority with cost of RM8,841,230 (2009: RM8,841,230) has yet to be issued.
- (b) The long term leasehold land of the Group are stated at directors' valuation in the year 2005 of RM300,000 based on professional valuations made by CH Williams Talhar & Wong (Sabah) Sdn. Bhd., a company of professional valuers, using the comparison method.
- (c) Had the long term leasehold land of the Group been carried at historical cost less accumulated depreciation, the net book value of the long term leasehold land of the Group that would have been included in the financial statements at 31st December, 2010 would be RM224,900 (2009: RM228,360).
- (d) Certain long term leasehold land of the Group and Authority are charged to financial institution as securities for banking facilities granted to contractors costing RM Nil (2008: RM48,134).
- (e) Motor vehicles of the Group with net book value of RM87,455 (2009: RM122,436) is acquired under hire purchase arrangement.

4. INVESTMENTS IN SUBSIDIARIES

	<i>2010</i>	<i>Authority</i>	<i>2009</i>
	RM		RM
Unquoted shares at cost	10,006,030		10,006,030
<i>Less:</i> Allowance for diminution in value	(2,588,341)		(2,588,341)
	RM7,417,689		RM7,417,689

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AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (*cont.*)

4. INVESTMENTS IN SUBSIDIARIES - (*cont.*)

The principal activities of the subsidiaries, their places of incorporation and the interest of Lembaga Pembangunan Perumahan dan Bandar are as follow:

<i>Name of Company</i>	<i>Principal Activities</i>	<i>Country of Incorporation</i>	<i>Effective Ownership Interests</i>	
			<i>2010 %</i>	<i>2009 %</i>
Kuala Menggatal Development Corporation Sdn. Bhd.	Property development	Malaysia	95	95
Supernesa Sdn. Bhd.*	Construction work under contract and property development	Malaysia	100	100
Superpanel (Sabah) Sdn. Bhd.*	Holding of properties for rental, provision of contract works and related services and insurance agency	Malaysia	100	100

*The audited financial statements as at 31st December, 2010 are not available and the financial statements of these subsidiaries have been consolidated based on management accounts.

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (*cont.*)

8. INVENTORIES OF UNSOLD HOUSES

Group and Authority

Inventories of unsold houses of RM12,051,500 (2009: RM12,559,100) are carried at net realisable value.

9. TRADE RECEIVABLES

	<i>Group</i>	
	<i>2010</i>	<i>2009</i>
	RM	RM
Trade receivables	19,153,502	20,946,617
Less: Allowance for doubtful debts	(2,362,564)	(207,286)
	RM16,790,938	RM20,739,331

Included in trade receivables of the Group are retention monies of RM7,697,632 (2009: RM10,945,621).

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<i>Group</i>		<i>Authority</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	RM	RM	RM	RM
Other receivables, deposits and prepayments	22,299,061	26,827,005	20,776,923	26,334,901

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (*cont.*)

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS - (*cont.*)

	<i>Group</i>		<i>Authority</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	RM	RM	RM	RM
<i>Less: Allowance for doubtful debts</i>	...	...	(8,717,308)	(8,366,311)
	13,581,753	18,433,904	12,410,612	17,968,590

Included in other receivables, deposits and prepayments of the Group and of the Authority are loans to employees amounting to RM23,267 (2009: RM31,349).

11. AMOUNT DUE FROM SUBSIDIARIES

Authority

The amount due from subsidiaries is unsecured, interest free and repayable on demand.

12. FIXED DEPOSITS

	<i>Group</i>		<i>Authority</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	RM	RM	RM	RM
Deposits are placed with:				
Licensed banks	58,296,509	40,278,972
	57,446,509	39,428,972

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (*cont.*)

12. **FIXED DEPOSITS - (*cont.*)**

Included in the fixed deposits are:

- (a) An amount of RM850,000 (2009: RM850,000) of the Group held under lien by licensed banks to secure the overdraft and bank guarantee facilities granted to the subsidiaries (see Note 15).
- (b) An amount of RM6,000,000 (2009: RM6,000,000) of the Group and of the Authority held on lien by a licensed banks for the overdraft facilities to the Authority.

13. **AMOUNT DUE TO CONTRACT CUSTOMERS**

	<i>Group</i>	
	<i>2010</i>	<i>2009</i>
	RM	RM
Contract cost incurred to date	117,852,660	113,494,459
<i>Add:</i> Attributable profits	5,318,009	5,149,329
	<u>123,170,669</u>	<u>118,643,788</u>
<i>Less:</i> Progress billings ...	123,629,092	119,521,937
	<u>(RM458,423)</u>	<u>(RM878,149)</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER, 2010 - (cont.)

14. PROVISION	Group and Authority	Repair and Maintenance RM
Balance at 1st January, 2010	...	4,412,764
Provision made during the year	...	206,375
Provision used during the year...	...	(166,722)
Provision reversed during the year	...	(875,030)
Balance at 31st December, 2010	...	<u>RM3,577,387</u>

15. BANK OVERDRAFT

The bank overdraft of the Group bears interest rate at 1% (2009:1%) above base lending rate per annum and is secured by way of fixed deposits of RM850,000 (2009: RM850,000 held on lien by a licensed bank (see Note 9).

16. HIRE PURCHASE LIABILITIES

Hire purchase liabilities of the Group is payable as follows:

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
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AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (*cont.*)

16. HIRE PURCHASE LIABILITIES - (*cont.*)

<i>Group</i>	<i>Payments</i> 2010 RM	<i>Interest</i> 2010 RM	<i>Principal</i> 2010 RM	<i>Payments</i> 2009 RM	<i>Interest</i> 2009 RM	<i>Principal</i> 2009 RM
Less than one year ...	55,392	(1,897)	53,495	55,404	(5,400)	50,004
Between one and five years ...	-	-	-	55,392	(1,897)	53,495
	<u>RM55,392</u>	<u>(RM1,897)</u>	<u>RM53,495</u>	<u>RM110,796</u>	<u>(RM7,297)</u>	<u>RM103,499</u>

The hire purchase facilities or the Group bear effective interest rate at 6.51% (2009: 6.51%) per annum. The hire purchase is guaranteed by one of the directors of the Group.

17. STATE GOVERNMENT LOANS

	<i>Group and Authority</i>	
	<i>2010</i> RM	<i>2009</i> RM
State Government loans - unsecured		
Current ...	...	17,868,886
Non-current ...	...	18,418,787
	<u>RM36,287,673</u>	<u>RM36,074,129</u>

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(*Housing and Town Development Authority*)

AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (*cont.*)

17. STATE GOVERNMENT LOANS - (*cont.*)

Terms and debts repayment schedule

<i>Group and Authority</i>	<i>Total</i> RM	<i>Under</i> <i>1 year</i> RM	<i>1 to 2</i> <i>years</i> RM	<i>2 to 5</i> <i>years</i> RM	<i>Over 5</i> <i>years</i> RM
2010					
Unsecured State Government loans - fixed rate 4%	RM36,287,673	RM17,868,886	RM468,890	RM1,861,516	RM16,088,381
2009					
Unsecured State Government loans - fixed rate 4%	RM36,074,129	RM17,251,204	RM404,138	RM1,685,411	RM16,733,376

State Government has agreed to convert the Government loan to grant amounting to RM23,071,421. An amount of RM5,312,187 (2009: RM2,289,568) has been converted during the financial year.

18. FEDERAL GOVERNMENT LOANS

<i>Federal Government loans - unsecured</i>	<i>Group and Authority</i>	
<i>Current</i>	<i>2010</i>	<i>2009</i>
<i>Non-current</i>	<i>RM</i>	<i>RM</i>
... ..	18,571,344	19,566,679
... ..	14,142,300	17,554,800
... ..	RM32,713,644	RM37,121,479

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(*Housing and Town Development Authority*)

AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (cont.)

18. FEDERAL GOVERNMENT LOANS - (cont.)

Terms and debts repayment schedule

The loans interest is payable as follows:

Loans for condominiums	...	...	...	...	4.0% to 7.5% per annum
Loans for all other housing projects	...	...	...	...	4.0% per annum

<i>Group and Authority</i>	<i>Total</i> RM	<i>Under</i> <i>1 year</i> RM			<i>2 to 5</i> <i>years</i> RM	<i>Over 5</i> <i>years</i> RM
		<i>1 to 2</i> <i>years</i> RM	<i>2 to 5</i> <i>years</i> RM	<i>Over 5</i> <i>years</i> RM		
2010						
Unsecured Federal Government Loans	...	RM32,713,644	RM18,571,344	RM557,661	RM1,843,218	RM11,741,421

2009

Unsecured Federal Government Loans	...	RM37,121,479	RM19,566,679	RM3,412,500	RM1,756,582	RM12,385,718
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19. GOVERNMENT TRUST FUNDS

	<i>Group and Authority</i>	
	<i>2010</i> RM	<i>2009</i> RM
State Government Housing Fund	...	34,276
State Fund for New Township	...	1,134,843
State Government Subsidies Fund	...	2,677,918
State Government Agency Funds	...	3,269,415
Revolving Fund (SPP)	2,000,000
		<u>RM9,440,907</u>
		<u>RM9,116,452</u>

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(*Housing and Town Development Authority*)

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (*cont.*)

20. MINORITY SHAREHOLDERS' INTEREST

This consists of the minority shareholders' proportion of share capital and reserve of a subsidiary.

	<i>Group</i>		<i>Authority</i>	
	2010 RM	2009 RM	2010 RM	2009 RM
21. REVENUE				
Profit from privatised projects...	...	12,740,498	20,242,891	12,740,498
Profit from sales of completed properties	...	882,508	2,240,656	882,508
Sales of properties and development land	...	12,671,874	-	-
Insurance commission income	...	3,998	-	-
Scrap metal commission...	...	6,555	-	-
	RM27,520,826	RM26,294,880	RM22,483,547	RM13,623,006
22. OPERATING PROFIT/LOSS				
<i>Operating profit is arrived at after crediting:</i>				
Gain on disposal of property, plant and equipment	...	79,706	168	79,704
Management fees	...	489,232	1,243,293	489,232
Rental income	...	3,950,760	2,705,411	3,950,760
Interest income	...	1,615,755	1,600,552	1,615,755
Government loan converted to grant	...	2,289,568	5,312,187	2,289,568

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(*Housing and Town Development Authority*)

AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (cont.)

22. OPERATING PROFIT/(LOSS) - (cont.) <i>and after charging:</i>	Group		Authority	
	2010 RM	2009 RM	2010 RM	2009 RM
Allowance for diminution in value	-	-	-	2,379,817
Auditors' remuneration... ..	31,163	27,405	23,163	16,105
Board members' remuneration				
- Other emoluments	423,131	251,964	313,700	251,964
- Study tour	187,476	22,067	187,476	22,067
Depreciation	1,580,429	1,054,340	1,462,264	947,807
Directors' remuneration				
- Fees	151,000	64,000	-	-
- Other emoluments	21,263	7,200	-	-
Rental expense	88,590	104,498	-	-
Interest expense	1,215,249	1,226,284	1,178,414	1,226,284
	RM32,743	RM175,672	RM57,623	RM25,672
	60,423	175,672	57,623	25,672
- Current year	(14,877)	-	-	-
- Overprovision in previous year	(12,803)	-	-	-
Deferred Tax				
- Reversal of temporary differences	-	-	-	-
	RM32,743	RM175,672	RM57,623	RM25,672

23. TAX EXPENSE

Current Taxation				
- Current year	60,423	175,672	57,623	25,672
- Overprovision in previous year	(14,877)	-	-	-
Deferred Tax				
- Reversal of temporary differences	(12,803)	-	-	-
	RM32,743	RM175,672	RM57,623	RM25,672

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(*Housing and Town Development Authority*)

AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (*cont.*)

	<i>Group</i>		<i>Authority</i>	
	2010 RM	2009 RM	2010 RM	2009 RM
23. TAX EXPENSE - (<i>cont.</i>)				
<i>Reconciliation of effective tax rate:</i>				
Profit/(Loss) before taxation	8,029,956	(3,545,680)	9,611,472	3,542,005
Income tax using Malaysia rate	2,295,234	(921,877)	2,402,868	920,921
Tax exempt income	(2,206,232)	(1,149,616)	(2,206,232)	(1,149,616)
Non-deductible expenses - others	247,425	2,247,165	247,425	254,367
Unabsorbed capital allowance now utilised	(386,438)	-	(386,438)	-
Other items	97,631	-	-	-
	47,620	175,672	57,623	25,672
Overprovision in previous year	(14,877)	-	-	-
Tax expense	32,743	175,672	57,623	25,672
24. EMPLOYEES INFORMATION				
Staff Costs	12,229,256	10,509,161	11,244,366	9,571,442

LEMBAGA PEMBANGUNAN PERUMAHAN DAN BANDAR
(Housing and Town Development Authority)

AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2010 - (cont.)

24. EMPLOYEES INFORMATION - (cont.)

Included in staff costs of the Group and of the Authority is Employees Provident Fund and other retirement benefits of RM928,661 (2009: RM874,864) and RM928,661 (2009: RM874,864).

The number of employees of the Group and of the Authority (excluding directors) at the end of the year was 217 (2009: 215) and 190 (2009: 187) respectively.

25. CONTINGENT LIABILITIES

The Group and the Authority has executed a third party charge over its development properties in favour of the financial institutions for banking facilities granted to developers and contractors amounting to RM98,386,368 (2009: RM85,684,950).

26. COMPARATIVE FIGURES

Certain comparative figures in the financial statements of the Authority have been reclassified to conform with the presentation in the current financial year.

PUBLIC NOTICES**No. 539**

[No. JPBN. 600-1//7/2]

ELECTION OFFENCES ACT 1954

(Act No. 5)

(Revised - 1969)

NOMINATION OF ELECTION JUDGE**ELECTION PETITION NO. BKI - 26EP - 1/6 - 2013**

Isnin bin Hj. Aliasnih	...	...	...	...	...	...	Petitioner
v.							
1. Lajim bin Ukin	...	...	...	...	...	...	1st Respondent
2. The Returning Officer - Jupari @ Jupry bin Etok	...	...	...	...	...	...	2nd Respondent
3. The Election Commission of Malaysia...	...	...	...	...	...	...	3rd Respondent

ELECTION PETITION NO. BKI - 26EP - 2/6 - 2013

Lajim bin Ukin	...	...	...	...	...	...	Petitioner
v.							
1. The Returning Officer - Jupari @ Jupry bin Etok	...	...	...	...	...	...	1st Respondent
2. Datuk Hajah Azizah Mohd. Dun	...	...	...	...	...	...	2nd Respondent
3. The Election Commission of Malaysia...	...	...	...	...	...	...	3rd Respondent

ELECTION PETITION NO. BKI - 26EP - 3/6 - 2013

Datuk Maijol Mahap	...	...	...	...	...	...	Petitioner
v.							
1. Johnity @ Maximus bin Ongkili	...	...	...	...	...	...	1st Respondent
2. The Returning Officer of the Parliamentary Election for Kota Marudu, State of Sabah	...	...	...	...	...	...	2nd Respondent
3. The Election Commission of Malaysia...	...	...	...	...	...	...	3rd Respondent

Pursuant to Section 33 (1) of the Election Offences Act 1954 (Act No. 5) (Revised 1969), I hereby nominate the Honourable Yang Arif Datuk Yew Jen Kie as the Election Judge for the trial of the abovementioned Election Petitions presented to the High Court at Kota Kinabalu in connection with the election of a person to be a member of the Dewan Undangan Negeri and Dewan Rakyat.

Given under my hand this 14th day of June, 2013.

TAN SRI DATUK SERI PANGLIMA RICHARD MALANJUM,
P.S.M., S.P.S.K., S.S.A.P., S.I.M.P., S.P.D.K., P.G.D.K.,
Chief Judge of the High Court in Sabah and Sarawak.

PUBLIC NOTICES - (cont.)**No. 540**

[No. JPBN. 600-1/7/2]

ELECTION OFFENCES ACT 1954

(Act No. 5)

(Revised - 1969)

NOMINATION OF ELECTION JUDGE**ELECTION PETITION NO. SDK - 26EP - 1/6 - 2013**

Hiew Vun Zin	...	...	...	...	...	...	...	Petitioner
v								
1. Au Kam Wah	...	...	...	...	...	...	...	1st Respondent
2. The Election Commission of Malaysia...	...	...	...	...	...	...	...	2nd Respondent

ELECTION PETITION NO. SDK - 26EP - 2/6 - 2013

Liew Chiew Fah @ Li Chiew Fah	...	...	...	...	...	...	...	Petitioner
v								
1. Wong Tien Fatt @ Wong Nyuk Foh	...	...	...	...	...	...	...	Respondent

ELECTION PETITION NO. SDK - 26EP - 3/6 - 2013

Jaffari bin Waliam	...	...	...	...	...	...	...	Petitioner
v								
1. Jeffer Aman - The Returning Officer P. 184 Libaran Parliamentary, Sabah	...	...	...	...	...	...	...	1st Respondent
2. Tan Sri Abdul Rashid Abdul Rahman - Chairman Election Commission	...	...	...	...	...	...	...	2nd Respondent
3. Datuk Jusli Ajirol	...	...	...	...	...	...	...	3rd Respondent

Pursuant to Section 33 (1) of the Election Offences Act 1954 (Act No. 5) (Revised 1969), I hereby nominate the Honourable Yang Arif Tuan Stephen Chung Hian Guan as the Election Judge for the trial of the abovementioned Election Petitions presented to the High Court at Sandakan in connection with the election of a person to be a member of the Dewan Undangan Negeri and Dewan Rakyat.

Given under my hand this 14th day of June, 2013.

TAN SRI DATUK SERI PANGLIMA RICHARD MALANJUM,
P.S.M., S.P.S.K., S.S.A.P., S.I.M.P., S.P.D.K., P.G.D.K.,
Chief Judge of the High Court in Sabah and Sarawak.

No. 541

[No. JPBN. 600-1/7/2]

ELECTION OFFENCES ACT 1954

(Act No. 5)

(Revised - 1969)

NOMINATION OF ELECTION JUDGE

ELECTION PETITION NO. BKI - 26EP - 4/6 - 2013

Richard Sakian bin Gunting ...	...	...	...	...	...	Petitioner
v						
1. Joseph Kurup ...	...	...	...	...	...	1st Respondent
2. The Returning Officer of the Parliamentary Election for Pensiangan, State of Sabah ...	...	...	...	...	...	2nd Respondent
3. The Election Commission of Malaysia...	...	...	...	...	...	3rd Respondent

ELECTION PETITION NO. BKI - 26EP - 5/6 - 2013

Rahimah binti Majid ...	...	...	...	...	...	Petitioner
v						
1. Datuk Abdul Rahim bin Bakri ...	...	...	...	...	...	1st Respondent
2. Sabestian Lim - The Returning Officer ...	...	...	...	...	...	2nd Respondent
3. The Election Commission of Malaysia ...	...	...	...	...	...	3rd Respondent

ELECTION PETITION NO. TWU - 26EP - 1/6 - 2013

Kong Hong Ming @ Kong Fo Min ...	...	...	...	...	...	Petitioner
v						
1. The Election Commission of Malaysia...	...	...	...	...	...	1st Respondent
2. The Sabah State Election Officer ...	...	...	...	...	...	2nd Respondent
3. The Returning Officer ...	...	...	...	...	...	3rd Respondent
4. Yap Kain Ching @ Mary ...	...	...	...	...	...	4th Respondent

Pursuant to Section 33 (1) of the Election Offences Act 1954 (Act No. 5) (Revised 1969), I hereby nominate the Honourable Yang Arif Puan Supang Lian as the Election Judge for the trial of the abovementioned Election Petitions presented to the High Court at Kota Kinabalu and Tawau in connection with the election of a person to be a member of the Dewan Rakyat.

Given under my hand this 14th day of June, 2013.

TAN SRI DATUK SERI PANGLIMA RICHARD MALANJUM,
P.S.M., S.P.S.K., S.S.A.P., S.I.M.P., S.P.D.K., P.G.D.K.,
Chief Judge of the High Court in Sabah and Sarawak.

PUBLIC NOTICES - (cont.)**No. 542**

[No. MdI/156/H/004/348/2005 (73504/236/2006)]

AKTA KEBANKRAPAN, 1967**NOTIS MENGENAI DIVIDEN YANG DICADANGKAN**

Nama Siberhutang: Zul Ramli bin Mohamed Razali
No. Kad Pengenalan: 660317-06-5587/A 0499616
Alamat: No. 146A, Jalan Seroja 1/5,
Sg. Buloh Country Resort,
Saujana Utama,
47000 Selangor

Perihal: -
Mahkamah: Mahkamah Tinggi, Kota Kinabalu
No. Kebankrapan: K29-625 tahun 2004
Tarikh Akhir Menerima
Bukti-bukti: 15 Julai 2013
Nama Pemegang Amanah: Ketua Pengarah Insolvency, Malaysia
Alamat:
Jabatan Insolvency Malaysia,
Cawangan Kota Kinabalu,
Aras 5, Blok A,
Kompleks Pentadbiran Kerajaan Persekutuan Sabah,
Jalan Sulaman, Likas,
88450 Kota Kinabalu, Sabah.
Bertarikh: 24 Jun 2013.

LEO ANAK SAGA,
Pengarah Insolvency Negeri,
b.p. Ketua Pengarah Insolvency, Malaysia.

[No. MdI/156/H/004/348/2005 (73504/236/2006)]

BANKRUPTCY ACT, 1967**NOTICE OF INTENDED DIVIDEND**

Debtor's Name: Zul Ramli bin Mohamed Razali
NRIC No.: 660317-06-5587/A 0499616
Address: No. 146A, Jalan Seroja 1/5,
Sg. Buloh Country Resort,
Saujana Utama,
47000 Selangor

Description: -
Court: High Court, Kota Kinabalu

Bankruptcy Number: K29-625 of 2004
 Last Day of Receiving Proofs: 15th July, 2013
 Name of Trustee: Director General of Insolvency, Malaysia
 Address:
 Department of Insolvency Malaysia,
 Kota Kinabalu Branch,
 Level 5, Block A,
 Kompleks Pentadbiran Kerajaan Persekutuan Sabah,
 Jalan Sulaman, Likas,
 88450 Kota Kinabalu, Sabah.
 Dated: 24th June, 2013.

LEO ANAK SAGA,
State Director of Insolvency,
for Director-General of Insolvency, Malaysia.

Kadar langganan berikut bagi Warta Kerajaan Negeri Sabah yang berkuat kuasa mulai daripada 1 Januari 2013 adalah diterbitkan untuk makluman Umum:

KADAR LANGGANAN UNTUK TAHUN 2013

Warta Kerajaan termasuk tambahan-tambahan:- (Tidak termasuk Tambahan Tanda Perdagangan)

	RM	
Langganan Tahunan di dalam Malaysia	120.00	
Langganan Tahunan di luar Malaysia	180.00	
Tambahan Tanda Perdagangan (untuk satu keluaran)	2.40	
Sesuatu naskhah <i>Warta Kerajaan</i> , Tambahan-tambahan, Rang Undang-undang, Laporan Dewan Undangan Negeri, Pekeliling dan lain-lain.		
Tidak lebih daripada 8 muka	1.80	
Tidak lebih 9 hingga 16 muka	2.40	
Tidak lebih 17 hingga 32 muka	3.00	
Tidak lebih 33 hingga 48 muka	3.60	
Tidak lebih 49 hingga 64 muka	4.20	
Tidak lebih 65 hingga 96 muka	5.40	
Lebih daripada 96 muka	7.20	dan tambah RM1.20 untuk setiap 32 muka yang lebih.
Senaskhah Tahunan Tambahan Pertama dan Kedua serta indeks 2012 (dijilid dengan Kulit Keras)	RM 42.00	

Kadar-kadar di atas adalah termasuk belanja Pos biasa (mel laut)

Pengiriman Wang hendaklah dialamatkan kepada Pencetak Kerajaan, Jabatan Cetak Kerajaan, Kota Kinabalu, Sabah. Cek dan Wang Pos hendaklah dibuat pembayarannya kepada Pencetak Kerajaan, Jabatan Cetak Kerajaan, dan dipalang “& Co”.

Untuk Makluman

- (1) Pelanggan bagi Warta Kerajaan Negeri dan terbitan-terbitan Kerajaan lain seperti Laporan Tahunan, Laporan Jabatan dan sebagainya hendaklah dialamatkan kepada Pencetak Kerajaan, Jabatan Cetak Kerajaan, Km. 4, Jalan Tuaran, Beg Berkunci 2004, 88554 Kota Kinabalu.**
- (2) Pelanggan-pelanggan yang hendak mendapatkan Warta Kerajaan Persekutuan hendaklah memohon terus kepada Percetakan Nasional Malaysia Berhad, Jalan Chan Sow Lin, 50554 Kuala Lumpur.**



DICETAK OLEH PENCETAK KERAJAAN,
DATUK HAJI SALSIDU BIN HAJI IBRAHIM, P.G.D.K., K.M.N., J.P., JABATAN CETAK KERAJAAN,
SABAH, MALAYSIA.
2013.