

AUDIT REPORT

To The Board of Trustee of The Friends of The Asia Foundation (Korea):

We have audited the accompanying balance sheets of The Friends of The Asia Foundation as of Dec. 31, 2004 and the related operating statements for the year ended.

We conducted our audits in accordance with auditing standards generally accepted for the Non-Profit Organization.

In our opinion, the financial statements referred to above present fairly the financial position of The Friends of The Asia Foundation as of December 31, 2004 and the results of its operation for the year then ended, in conformity with financial accounting standards.

March 10, 2005

AUDITOR

Certified Public Accountant

Park, Choong-Hwan

A handwritten signature in black ink, appearing to read 'Park Choong-Hwan', written in a cursive style.

Balance Sheets
(U.S. Dollars)

The Friends of The Asia Foundation (Korea)

As of Dec. 31, 2004

(at the exchange rate of \$1:W1032.80)

<u>ASSETS</u>		<u>PROPERTIES</u>	
Deposit in the bank	2,518	Beginning Properties	36,115
		Operating loss	33,597
TOTAL	2,518	TOTAL	2,518

Operating Statements
(U.S. Dollars)

The Friends of The Asia Foundation (Korea)

For the period form Feb. 19, 2004 to Dec. 31, 2004

<u>EXPENSES</u>		<u>REVENUE</u>	
Training support	34,016	Membership fees	2,518
Loss on foreign exchange Translation	2,099	Operating loss	33,597
TOTAL	36,115	TOTAL	36,115

NOTE: 1. Have donated establishment expenses of US\$1,843 by The Asia Foundation.

2. Have promised that The Asia Foundation would support the office key money deposit, the annual rent expenses and annual administrative expenses with US\$50,000, US\$3,600 and US\$21,320 respectively.

ACTIVITIES

Feb. 19, 2004 Preparation for establishing The Friends of The Asia Foundation

Aug. 13, 2004 Have registered The Friends of The Asia Foundation

Dec. 10, 2004 Have the first assembly of The Friends of The Asia Foundation

For year 2004 Donated US\$34,016 for training expenses aboard

(Hong Kong University Human Rights LLM fellowship)

(Harvard Nieman Fellowship in Journalism)