SHARE-HAPPINESS BENEVOLENT FUND LIMITED
(Incorporated in Hong Kong as a limited by guarantee and not having a share capital)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

樂群慈善基金有限公司
（於香港註冊成立無股本的擔保有限公司）

報告書及財務報表

截至二零零八年三月三十一日止年度

RAYMOND S. W. HO & CO.
CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

何成偉會計師事務所
香港執業會計師
SHARE-HAPPINESS BENEVOLENT FUND LIMITED  樂群慈善基金有限公司
REPORTS AND FINANCIAL STATEMENTS  報告書及財務報表
FOR THE YEAR ENDED 31 MARCH 2008  截至二零零八年三月三十一日止年度

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SHARE-HAPPINESS BENEVOLENT FUND LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2008

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2008.

PRINCIPAL ACTIVITIES

The Company is engaged in fund raising to support rebuilding collapsing schools and sponsoring scholarship to the poor and outstanding village students in the People’s Republic of China.

RESULTS

The deficit of the Company for the year ended 31 March 2008 are set out in the income and expenditure account on page 5.

Funds

Details of movements in funds are set out in the statement of changes in fund balances on page 6.

DIRECTORS

The directors who held office during the year and up to the date of this report were:-

Mr. SIU Chong
Mr. ZHANG Shi Bing
Mr. CHENG Tat Keung, Albert
Mr. TSAO Lung Yuen

In accordance with Article 39 of the Company’s Articles of Association, the director’s term of office shall be 3 years. One fourth of the directors or the number of directors elected by the resolution of the Board of Directors shall retire in the third Annual General Meeting, subsequently in every third Annual General Meeting.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

- 1 -
AUDITORS

Messrs. Raymond S. W. Ho & Co., Certified Public Accountants (Practising), who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Messrs. Raymond S. W. Ho & Co., Certified Public Accountants (Practising) as honorary auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

[Signature]

Chairman
Date: 2 October 2008

核數師

何成偉會計師事務所任滿告退，惟符合資格並願膺選連任，本公司將於應屆會員大會上提呈決議案，續聘何成偉會計師事務所為本公司之義務核數師。

承董事局命

[Signature]

主席
日期：二零零八年十月二日
INDEPENDENT HONORARY AUDITOR’S REPORT

TO THE MEMBERS OF SHARE-HAPPINESS
BENEVOLENT FUND LIMITED
(Incorporated in Hong Kong as a company limited by guarantee and
not having a share capital)

We have audited the financial statements of Share-Happiness
Benevolent Fund Limited set out on pages 5 to 13, which comprise
the balance sheet as at 31 March 2008, and the income and
expenditure account, statement of changes in fund balances and cash
flow statement for the year then ended, and a summary of significant
accounting policies and other explanatory notes.

Directors’ responsibility for the financial statements

The directors are responsible for the preparation and the true and fair
presentation of these financial statements in accordance with Hong
Kong Financial Reporting Standards issued by the Hong Kong
Institute of Certified Public Accountants and the Hong Kong
Companies Ordinance. This responsibility includes designing,
implementing and maintaining internal control relevant to the
preparation and the true and fair presentation of financial statements
that are free from material misstatement, whether due to fraud or
error; selecting and applying appropriate accounting policies; and
making accounting estimates that are reasonable in the circumstances.

Honorary auditor’s responsibility

Our responsibility is to express an opinion on these financial
statements based on our audit. This report is made solely to you, as
a body, in accordance with Section 141 of the Hong Kong
Companies Ordinance, and for no other purpose. We do not
assume responsibility towards or accept liability to any other person
for the content of this report.

We conducted our audit in accordance with Hong Kong Standards
on Auditing issued by the Hong Kong Institute of Certified Public
Accountants. Those standards require that we comply with ethical
requirements and plan and perform the audit to obtain reasonable
assurance as to 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 the auditor’s judgment, including
the assessment of the risks of material misstatement of the financial
statements, whether due to fraud or error. In making those risk
assessments, the auditor considers internal control relevant to the
entity’s preparation and true and fair presentation of the financial
statements 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 entity’s internal control. An audit also
includes evaluating the appropriateness of accounting policies used
and the reasonableness of accounting estimates made by the
directors, 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 give a true and fair view of the state of the Company's affairs as at 31 March 2008 and of its deficit and cash flows for the year ended 31 March 2008 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Raymond S. W. Ho & Co.
Certified Public Accountants (Practising)
Room 3602, 36/F., Tower Two, Lippo Centre
89 Queensway, Hong Kong

2 October 2008

意見

我們認為，該等財務報表已根據香港財務報告準則真實而公平地反映公司於二零零八年三月三十一日的財務狀況及公司截至該日止年度的赤字及現金流量，並已按照香港《公司條例》妥為編製。

何成偉會計師事務所
香港執業會計師
香港金鐘道八十九號力寶中心二座
三十六樓三六零二室

二零零八年十月二日
SHARE-HAPPINESS BENEVOLENT FUND LIMITED  樂群慈善基金有限公司
INCOME AND EXPENDITURE ACCOUNT  收支賬目表
FOR THE YEAR ENDED 31 MARCH 2008  截至二零零八年三月三十一日止年度

<table>
<thead>
<tr>
<th>INCOME</th>
<th>收入</th>
<th>2008 HK$</th>
<th>2007 HK$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations received</td>
<td>捐款收入</td>
<td>882,767</td>
<td>1,946,589</td>
</tr>
</tbody>
</table>

LESS: DIRECT EXPENDITURE  减：直接支出

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>2008 HK$</th>
<th>2007 HK$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digging well engineering</td>
<td>打井工程</td>
<td>-</td>
<td>74,655</td>
</tr>
<tr>
<td>Relieving the flood victims</td>
<td>賑濟水災災民</td>
<td>-</td>
<td>418,149</td>
</tr>
<tr>
<td>Releasing subsidies to orphan and disable</td>
<td>助殘補助</td>
<td>-</td>
<td>376,137</td>
</tr>
<tr>
<td>Sponsoring scholarship to poor and outstanding village students</td>
<td>尖子計劃</td>
<td>482,981</td>
<td>29,290</td>
</tr>
<tr>
<td>Children education program</td>
<td>助學金</td>
<td>60,766</td>
<td>22,933</td>
</tr>
<tr>
<td>Rebuilding collapsing school project</td>
<td>危校重建工程</td>
<td>445,432</td>
<td>752,802</td>
</tr>
<tr>
<td>School uniform and books subsidies</td>
<td>校服及書本津貼</td>
<td>63,174</td>
<td>11,291</td>
</tr>
<tr>
<td>Endowment to desperate elders</td>
<td>資助困難長者</td>
<td>-</td>
<td>1,512</td>
</tr>
<tr>
<td>Teacher award</td>
<td>教師獎勵金</td>
<td>-</td>
<td>14,113</td>
</tr>
<tr>
<td>Subsidizing operating expenses for schools</td>
<td>資助學校費用</td>
<td>37,660</td>
<td>47,721</td>
</tr>
<tr>
<td>Donation to rest home</td>
<td>敬老院捐款</td>
<td>-</td>
<td>29,586</td>
</tr>
</tbody>
</table>

| Total expense | 1,090,013 | 1,778,189 |

ADD: OTHER INCOME  加：其他收入

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>2008 HK$</th>
<th>2007 HK$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank interest income</td>
<td>銀行利息收入</td>
<td>6,689</td>
<td>7,795</td>
</tr>
</tbody>
</table>

| Total income | (207,246) | 168,400 |

LESS: OTHER EXPENDITURE  减：其他支出

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>2008 HK$</th>
<th>2007 HK$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditors’ remuneration</td>
<td>核數師酬金</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bank charges</td>
<td>銀行手續費</td>
<td>1,456</td>
<td>1,745</td>
</tr>
<tr>
<td>Overseas travelling</td>
<td>海外差旅費</td>
<td>25,266</td>
<td>51,673</td>
</tr>
<tr>
<td>Postage</td>
<td>郵費</td>
<td>-</td>
<td>93</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>印刷及文具</td>
<td>380</td>
<td>2,923</td>
</tr>
<tr>
<td>Salaries</td>
<td>薪酬</td>
<td>6,704</td>
<td>21,022</td>
</tr>
<tr>
<td>Sundry expenses</td>
<td>雜項費用</td>
<td>4,605</td>
<td>394</td>
</tr>
<tr>
<td>Telephone</td>
<td>電話費用</td>
<td>559</td>
<td>1,249</td>
</tr>
</tbody>
</table>

| Total expense | 38,970 | 79,099 |

(DEFICIT)/SURPLUS FOR THE YEAR  本年度(赤字)/盈餘

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>2008 HK$</th>
<th>2007 HK$</th>
</tr>
</thead>
<tbody>
<tr>
<td>(239,527)</td>
<td></td>
<td></td>
<td>97,096</td>
</tr>
</tbody>
</table>

Transferred to  結餘轉到

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>2008 HK$</th>
<th>2007 HK$</th>
</tr>
</thead>
<tbody>
<tr>
<td>The drinking water and assistance fund</td>
<td>食水及困難戶基金</td>
<td>-</td>
<td>19,419</td>
</tr>
<tr>
<td>The collapsing school re-construction fund</td>
<td>危校重建工程基金</td>
<td>(191,622)</td>
<td>77,677</td>
</tr>
<tr>
<td>The sponsoring scholarship fund</td>
<td>尖子計劃基金</td>
<td>(47,905)</td>
<td>-</td>
</tr>
</tbody>
</table>

| Total transferred | (239,527) | 97,096 |
### SHARE-HAPPINESS BENEVOLENT FUND LIMITED

#### STATEMENT OF CHANGES IN FUND BALANCES

#### FOR THE YEAR ENDED 31 MARCH 2008

<table>
<thead>
<tr>
<th></th>
<th>The drinking water and assistance fund</th>
<th>The sponsoring scholarship fund</th>
<th>The collapsing school re-construction fund</th>
<th>Currency translation reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>食水及困難戶基金</td>
<td>尖子計劃基金</td>
<td>危校重建工程基金</td>
<td>外匯兌換儲備</td>
<td>合計</td>
</tr>
<tr>
<td></td>
<td>HK$</td>
<td>HK$</td>
<td>HK$</td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td></td>
<td>港幣</td>
<td>港幣</td>
<td>港幣</td>
<td>港幣</td>
<td>港幣</td>
</tr>
<tr>
<td>At 1 April 2006</td>
<td>809,122</td>
<td>-</td>
<td>610,786</td>
<td>17,707</td>
<td>1,437,615</td>
</tr>
<tr>
<td>四月一日</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>19,419</td>
<td>-</td>
<td>77,677</td>
<td>-</td>
<td>97,096</td>
</tr>
<tr>
<td>本年度盈餘</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td>57,649</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 March 2007 and 1 April 2007</td>
<td>828,541</td>
<td>-</td>
<td>688,463</td>
<td>75,356</td>
<td>1,592,360</td>
</tr>
<tr>
<td>於二零零七年三月三十一日及四月一日</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer from accumulated surplus of The drinking water assistance fund</td>
<td>(828,541)</td>
<td>828,541</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deficit for the year</td>
<td>-</td>
<td>(47,905)</td>
<td>(191,622)</td>
<td>-</td>
<td>(239,527)</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td>106,987</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 March 2008</td>
<td>-</td>
<td>780,636</td>
<td>496,841</td>
<td>182,343</td>
<td>1,459,820</td>
</tr>
<tr>
<td>於二零零八年三月三十一日</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

BALANCE SHEET

AT 31 MARCH 2008

<table>
<thead>
<tr>
<th>Note</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td>附註</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Current assets

Cash and bank balances

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>流動資產</td>
</tr>
<tr>
<td></td>
<td>現金及銀行結餘</td>
</tr>
<tr>
<td></td>
<td>1,459,820</td>
</tr>
<tr>
<td></td>
<td>1,592,360</td>
</tr>
</tbody>
</table>

Net current assets

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>淨流動資產</td>
</tr>
<tr>
<td></td>
<td>1,459,820</td>
</tr>
<tr>
<td></td>
<td>1,592,360</td>
</tr>
</tbody>
</table>

Financed by:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>財政來源</td>
</tr>
<tr>
<td></td>
<td>基金</td>
</tr>
<tr>
<td></td>
<td>(6)</td>
</tr>
<tr>
<td></td>
<td>1,459,820</td>
</tr>
<tr>
<td></td>
<td>1,592,360</td>
</tr>
</tbody>
</table>

Approved by the Board of Directors on 2 October 2008
董事局於二零零八年十月二日核准。

The accompanying notes form an integral part of these financial statements.
所有附註乃為本財務報表之一部份。
### SHARE-HAPPINESS BENEVOLENT FUND LIMITED

#### CASH FLOW STATEMENT

**FOR THE YEAR ENDED 31 MARCH 2008**

<table>
<thead>
<tr>
<th>Description</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td>(Deficit)/surplus for the year</td>
<td>(239,527)</td>
<td>97,096</td>
</tr>
<tr>
<td><strong>Adjustment for:</strong></td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td>Bank interest income</td>
<td>(6,689)</td>
<td>(7,795)</td>
</tr>
<tr>
<td><strong>Net cash (used in)/generated from operating activities</strong></td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td></td>
<td>(246,216)</td>
<td>89,301</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td>Bank interest received</td>
<td>6,689</td>
<td>7,795</td>
</tr>
<tr>
<td><strong>Net cash generated from investing activities</strong></td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td></td>
<td>6,689</td>
<td>7,795</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>106,987</td>
<td>57,649</td>
</tr>
<tr>
<td><strong>Net cash generated from financing activities</strong></td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td></td>
<td>106,987</td>
<td>57,649</td>
</tr>
<tr>
<td><strong>Net (decrease)/increase in cash and cash equivalents</strong></td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td>(decrease)/increase</td>
<td>(132,540)</td>
<td>154,745</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of the year</strong></td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td>of the year</td>
<td>1,592,360</td>
<td>1,437,615</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the year</strong></td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td>of the year</td>
<td>1,459,820</td>
<td>1,592,360</td>
</tr>
<tr>
<td><strong>Analysis of the balance of cash and cash equivalents</strong></td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>1,459,820</td>
<td>1,592,360</td>
</tr>
</tbody>
</table>
SHARE-HAPPINESS BENEVOLENT FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

1. STATUS AND PRINCIPAL ACTIVITIES
   OF THE COMPANY

   The Company is a private company incorporated in Hong
   Kong limited by guarantee and not having a share capital.

   The address of its registered office is Room 3602, 36/F.,
   Tower Two, Lippo Centre, 89 Queensway, Hong Kong.

   Every member of the Company undertakes to contribute to the
   assets of the Company in the event of the same being wound up
   during the time he or she is a member or within one year after he
   or she ceases to be a member, for payment of the debts and
   liabilities of the Company contracted before the time at which he
   or she ceases to be a member and of the costs, charges and
   expenses of winding up the same and for the adjustment of the
   rights of the contributories amongst themselves such amount as
   may be required not exceeding HK$100.

   The Company is engaged in fund raising to support rebuilding
   collapsing schools and sponsoring scholarship to the poor and
   outstanding village students in the People’s Republic of China.

   These financial statements are presented in units of Hong Kong
   Dollars (HK$), unless otherwise stated. These financial
   statements have been approved for issue by the Board of
   Directors on 2 October 2008.

2. SIGNIFICANT ACCOUNTING POLICIES
   (a) Basis of preparation

   The principal accounting policies adopted in the
   preparation of these financial statements are set out below.
   These policies have been consistently applied to all the year
   presented, unless otherwise stated.

   In current year, the financial statements have been prepared
   in accordance with new and revised Hong Kong Financial
   Reporting Standards (“HKFRSs”), Hong Kong Accounting
   Standards (“HKASs”) and Interpretations (“HK
   (SIC)-Ints”) (collectively the “new HKFRSs”) issued by
   the Hong Kong Institute of Certified Public Accountants
   which are effective for the Company’s financial year
   beginning on 1 April 2007. They have been prepared
   under the historical cost convention.
SHARE-HAPPINESS BENEVOLENT FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)
   (a) Basis of preparation (continued)

The Company has not early applied the following new
HKFRSs that have been issued but are not yet effective, in
these financial statements. Unless otherwise stated, these
HKFRSs are effective for annual periods beginning on or
after 1 January 2009:

HKAS 1 (Revised)  Presentation of Financial Statements

The Company expects that the adoption of those
pronouncements listed above will not have any significant
impact on the Company’s financial statements in the period
initial application.

(b) Taxation

The Company is exempted under Section 88 of The Inland
Revenue Ordinance from any tax levied in Hong Kong by
reason of being a charitable institution.

(c) Foreign currency transaction

(i) Functional and presentation currency

Items included in the financial statements are measured
using the currency of the primary economic environment
in which the entity operates (“the functional currency”). The
functional currency of the Company is Renminbi. The
financial statements are presented in HK Dollars, which is
the Company’s presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the
functional currency using the exchange rates prevailing at
the dates of the transactions. Foreign exchange gains and
losses resulting from the settlement of such transactions
and from the translation of monetary assets and liabilities
denominated in foreign currencies at the exchange rates
ruling at the balance sheet date are recognised in the
income statement, except when deferred in equity as
qualifying cash flow hedges or qualifying net investment
hedges.

As the functional currency is different from the
presentation currency (none of which is currency under a
hyperinflationary economy) the results and financial
position of the Company are translated into the presentation
currency as follows:

- assets and liabilities for the balance sheet presented are
  translated at the closing rate at the date of that balance
  sheet;
- income and expenses for the income and expenditure
  account are translated at average exchange rates; and
- all resulting exchange difference are recognised as a
  separate component of equity.

2. 主要會計政策（續）

(a) 編製基準（續）

本公司並未於此等財務報表應用下列已頒佈但
未生效的新頒佈及經修訂香港財務報告準則。
除另有說明外，此等香港財務報告準則於二零
零九年一月一日或其後開始的年度生效：

香港會計準則

財務報表之呈列

第1號（經修訂）

(b) 稅項

根據香港《稅務條例》第八十八條，本公司作
為慈善機構可豁免香港稅項。

(c) 外幣匯兌

(i) 功能和列賬貨幣

本財務報表所列項目均以本公司營運所在的主
要經濟環境的貨幣計量（“功能貨幣”）。財務報
表以港幣呈報。港幣為本公司列賬貨幣。人民
幣則為本公司的功能貨幣。

(ii) 交易及結餘

外幣交易按交易當日的匯率兌換為功能貨幣。
除了符合在權益中遞延入賬之現金流量對沖和
淨投資對沖外，因結算交易及按結算日匯率換
算外幣資產及負債所產生之外幣匯兌溢額虧損均於
損益表確認。

由於功能貨幣與列賬貨幣不同（當中沒有嚴重通
脹貨幣），本公司的業績和財務狀況按如下方法
換算為列賬貨幣：

- 呈報的資產負債表內的資產和負債按該資
  產負債表日期的收市匯率換算；
- 收支賬目表內的收入和費用按交易日期的
  平均匯率換算；及
- 所有由此產生的匯兌差額確認為權益的獨
  立組成項目。

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SHARE-HAPPINESS BENEVOLENT FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances.

(e) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(f) Related parties

A party is related to the Company if:

(i) directly, or indirectly through one or more intermediaries, the party:

(1) controls, is controlled by, or is under common control with, the Company;

(2) has an interest in the Company that gives it significant influence over the Company;

(3) has joint control over the Company

(ii) the party is a jointly-controlled entity;

(iii) the party is an associate;

(iv) the party is a member of the key management personnel of the Company;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly-controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

樂群慈善基金有限公司
財務報表附註
截至二零零八年三月三十一日止年度

2. 主要會計政策（續）

(d) 現金及現金等價物

現金及現金等價物包括現金及銀行存款結餘。

(e) 損備及或然負債

當本公司因過去某事件而須承擔法律或法律推定之責任而可能須支付經濟利益以履行有關責任，並能可靠地作出計量時，即對時間性或數額不確定之負債入賬損備。倘負債個案屬重大，則有關損備以預計用作履行責任之支出的現值入賬。

倘支付經濟利益之可能性不大，或未能可靠地估計數額，則以或然負債形式予以披露，除非支付之可能性極微，僅可在日後一項或以上事件發生與否下確定是否須承擔之責任，亦作或然負債予以披露，除非支付經濟利益之可能性按按。

(f) 關連人士

下述各方視為關連人士：

(i) 該一方直接或間接透過一間或多間中間控股公司：

(1) 控制本公司，被本公司控制，或與本公司受共同控制；

(2) 於本公司擁有權益，因而可對本公司施以重大影響；或

(3) 共同控制本公司；

(ii) 該一方為共同控制公司；

(iii) 該一方為聯營公司；

(iv) 該一方為本公司或其母公司之關鍵管理層成員；

(v) 該一方為(i)或(iv)項所述任何人士家族之親密成員；

(vi) 該一方為(iv)或(v)項所述之任何人士直接或間接控制、共同控制或可施行使重大影響力之實體或享有重大投票權之實體；或

(vii) 該一方向本公司或本公司關連人士之任何公司提供僱員退休福利計劃，則被視為關連人士。
SHARE-HAPPINESS BENEVOLENT FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) The drinking water and assistance fund

The main purposes of the drinking water and assistance fund is to provide clean drinking water by digging wells and providing water pipes in the poor villages, and to offer financial help to the desperate and needed ones in the People’s Republic of China.

(h) The collapsing school re-construction fund

The main purposes of the collapsing school re-construction fund is to rebuild the collapsing school in the People’s Republic of China.

(i) The sponsoring scholarship fund

The main purposes of the sponsoring scholarship fund is to sponsor the school fee to the poor and outstanding students in the People’s Republic of China.

3. FINANCIAL RISK MANAGEMENT

The Company’s activities expose it to a variety of financial risks: current risk and liquidity risk.

(a) Currency risk

The Company’s monetary assets and transactions are principally denominated in Hong Kong Dollars (“HKD”) and Renminbi (“RMB”). The Company is exposed to foreign exchange risk arising from movement in the exchange rate between HKD and RMB. The Company manages its foreign currency risk by closely monitoring the movement of the foreign currency risk by closely monitoring the movement of the foreign currency rate. Nevertheless, the exchange rate of RMB to foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

4. FALL VALE ESTIMATION

Current asset is included cash and bank balances only, the carrying amounts of current asset approximates their fair values.

5. DIRECTORS’ REMUNERATION

Remuneration of the directors disclosed pursuant to Section 161 of the Companies Ordinance is as follows:

<table>
<thead>
<tr>
<th>Fees</th>
<th>Other emoluments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

二零零八年

二零零七年

港幣

港幣

報酬

其他報酬

無

無

無

無

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SHARE-HAPPINESS BENEVOLENT FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

6. FUNDS

Details of movements in funds are set out in the statement of changes in fund balances on page 6.

7. COMMITMENTS

<table>
<thead>
<tr>
<th>Rebuilding collapsing school project</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>- contracted but not provided for</td>
<td>77,805</td>
<td>435,203</td>
</tr>
</tbody>
</table>

|危校重建工程 - 已签约但未拨入账| 77,805 | 435,203 |

二零零八年 | 二零零七年
港元 | 港元