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 2010

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

截至二零一零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
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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SHARE-HAPPINESS BENEVOLENT FUND LIMITED

EXECUTIVE COMMITTEES’ REPORT

FOR THE YEAR ENDED 31 MARCH 2010

The executive committees present their report and the audited financial statements of the Company for the year ended 31 March 2010.

PRINCIPAL ACTIVITIES

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

RESULTS

The surplus of the Company for the year ended 31 March 2010 are set out in the statement of comprehensive income and expenditure on page 5.

FUNDS

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

EXECUTIVE COMMITTEES

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

Mr. SIU Chong
Mr. CHENG Tat Keung, Albert
Mr. TSAO Lung Yuen
Mr. HON Hou Ian (Appointed on 26 November 2009)
Mr. ZHANG Shi Bing (Resigned on 26 November 2009)

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

EXECUTIVE COMMITTEES’ INTERESTS IN CONTRACTS

No contracts of significance to which the Company was a party and in which an executive committee 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.
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]

Chaiman
Date: 1 November 2010

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。

承管理委員會命

[Signature]

主席
日期：二零零零年十一月一日
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 15, which comprise the statement of financial position as at 31 March 2010, and the statement of comprehensive income, statement of changes in funds and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Executive committees’ responsibility for the financial statements

The executive committees 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 executive committees, 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 2010 and of its surplus and cash flows for the year ended 31 March 2010 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 D1, 19/F., United Centre,
95 Queensway, Hong Kong

1 November 2010
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 2010

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HKS</td>
<td>HKS</td>
</tr>
<tr>
<td></td>
<td>港幣</td>
<td>港幣</td>
</tr>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations received</td>
<td>2,475,278</td>
<td>1,074,642</td>
</tr>
<tr>
<td><strong>LESS:</strong> DIRECT EXPENDITURE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sponsoring scholarship to poor and outstanding village students</td>
<td>1,343,448</td>
<td>915,186</td>
</tr>
<tr>
<td>Children education program</td>
<td>-</td>
<td>31,754</td>
</tr>
<tr>
<td>Rebuilding collapsing school project</td>
<td>-</td>
<td>137,068</td>
</tr>
<tr>
<td>School uniform and books subsidies</td>
<td>-</td>
<td>782</td>
</tr>
<tr>
<td>Allowance for the cost of living</td>
<td>16,949</td>
<td>-</td>
</tr>
<tr>
<td>Subsidizing operating expenses for schools</td>
<td>87,008</td>
<td>20,559</td>
</tr>
<tr>
<td>Donation</td>
<td>-</td>
<td>25,698</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1,447,405</td>
<td>1,131,047</td>
</tr>
</tbody>
</table>

|                  | 2010   |        |
|                  | 港幣   |        |
| **ADD:** OTHER INCOME |       |        |
| Bank interest income | 26,731 | 38,651 |
| **TOTAL** | 1,054,604 | 17,754 |

|                  |      |        |
|                  | 港幣 | 港幣 |
| **LESS:** OTHER EXPENDITURE |       |        |
| Auditors’ remuneration | - | - |
| Bank charges | 100 | 1,915 |
| Overseas travelling | 52,431 | 31,642 |
| Printing and stationery | 4,227 | 246 |
| Sundry expenses | 3,378 | - |
| Telephone | - | 1,117 |
| **TOTAL** | 60,136 | 34,920 |

**SURPLUS/(DEFICIT) FOR THE YEAR**

- 本年度盈餘/(赤字) - 994,468 (52,674)

**OTHER COMPREHENSIVE INCOME**

- 其他全面收益

**Currencies translation differences**

- 匯兌差額 - (183,801) 233,179

**TOTAL COMPREHENSIVE INCOME FOR THE YEAR**

- 本年度全面收益 - 810,667 180,505
## SHARE-HAPPINESS BENEVOLENT FUND LIMITED

**STATEMENT OF CHANGES IN FUNDS**

**FOR THE YEAR ENDED 31 MARCH 2010**

<table>
<thead>
<tr>
<th></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>尖子計劃基金</td>
<td>危校重建工程基金</td>
<td>外幣兌換儲備</td>
<td>合計</td>
</tr>
<tr>
<td></td>
<td>HKS 港幣</td>
<td>HKS 港幣</td>
<td>HKS 港幣</td>
<td>HKS 港幣</td>
</tr>
<tr>
<td>At 1 April 2008</td>
<td>於二零零八年四月一日</td>
<td>780,636</td>
<td>496,841</td>
<td>182,343</td>
</tr>
<tr>
<td>Deficit for the year</td>
<td>本年度赤字</td>
<td>(10,535)</td>
<td>(42,139)</td>
<td>-</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>匯兌差額</td>
<td></td>
<td></td>
<td>233,179</td>
</tr>
<tr>
<td>At 31 March 2009 and 1 April 2009</td>
<td>於二零零九年三月三十一日及二零零九年四月一日</td>
<td>770,101</td>
<td>454,702</td>
<td>415,522</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>本年度盈餘</td>
<td>994,468</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>匯兌差額</td>
<td></td>
<td></td>
<td>(183,801)</td>
</tr>
<tr>
<td>At 31 March 2010</td>
<td>於二零一零年三月三十一日</td>
<td>1,764,569</td>
<td>454,702</td>
<td>231,721</td>
</tr>
</tbody>
</table>

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SHARE-HAPPINESS BENEVOLENT FUND LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2010

<table>
<thead>
<tr>
<th>Note</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HK$</td>
<td>HK$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current asset</th>
<th>流動資產</th>
<th>現金及銀行結餘</th>
<th>2,450,992</th>
<th>1,640,325</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and bank balances</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net asset</th>
<th>淨資產</th>
<th>2,450,992</th>
<th>1,640,325</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Financed by:</th>
<th>財政來源</th>
<th>基金</th>
<th>(6)</th>
<th>2,450,992</th>
<th>1,640,325</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Approved by the Board of Executive Committees on 1 November 2010
管理委員會於二零一零年十一月一日核准。

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

**STATEMENT OF CASH FLOW**

**FOR THE YEAR ENDED 31 MARCH 2010**

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus/(deficit) for the year</td>
<td>994,468</td>
<td>(52,674)</td>
</tr>
<tr>
<td><strong>Adjustment for:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank interest income</td>
<td>(26,731)</td>
<td>(38,651)</td>
</tr>
<tr>
<td><strong>Net cash generated/(used) in from operating activities</strong></td>
<td>967,737</td>
<td>(91,325)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank interest income</td>
<td>26,731</td>
<td>38,651</td>
</tr>
<tr>
<td><strong>Net cash generated from investing activity</strong></td>
<td>26,731</td>
<td>38,651</td>
</tr>
<tr>
<td><strong>Cash flows from financing activity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>(183,801)</td>
<td>233,179</td>
</tr>
<tr>
<td><strong>Net cash (used)/generated from financing activity</strong></td>
<td>(183,801)</td>
<td>233,179</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>810,667</td>
<td>180,505</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of the year</strong></td>
<td>1,640,325</td>
<td>1,459,820</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the year</strong></td>
<td>2,450,992</td>
<td>1,640,325</td>
</tr>
<tr>
<td><strong>Analysis of the balance of cash and cash equivalents</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>2,450,992</td>
<td>1,640,325</td>
</tr>
</tbody>
</table>
SHARE-HAPPINESS BENEVOLENT FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

1. STATUS AND PRINCIPAL ACTIVITIES OF THE COMPANY

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

The address of its registered office is Room D1, 19/F., United Centre, 95 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 Executive committees on 1 November 2010.

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.

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. They have been prepared under the historical cost convention.

The adoption of new/revised HKFRSs

In 2010, the Company adopted the new/revised standards of HKFRS below, which are relevant to its operations. The 2009 comparatives have been amended as required, in accordance with the relevant requirements.
2. **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

   (a) **Basis of preparation (continued)**

   - HKFRSs (Amendments) - Improvements to HKFRSs
   - HKAS 1 (Revised) - Presentation of Financial Statements
   - HKAS 23 (Revised) - Borrowing costs
   - HKAS 32 & 1 (Amendments) - Puttable Financial Instruments and Obligations Arising on Liquidation
   - HKFRS 1 & HKAS 27 (Amendments) - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
   - HKFRS 2 (Amendments) - Vesting Conditions and Cancellations
   - HKFRS 7 (Amendments) - Improving Disclosures about Financial Instruments
   - HKFRS 8 - Operating Segments
   - HK(IFRIC) – Int 13 - Customer Loyalty Programmes
   - HK(IFRIC) – Int 15 - Agreements for the Construction of Real Estate
   - HK(IFRIC) – Int 16 - Hedges of a Net Investment in a Foreign Operation
   - HK(IFRIC) – Int 18 - Transfer of Assets from Customers

   - HKAS 1 (Revised), “Presentation of financial statements”

   **As a result of the adoption of HKAS 1 (Revised), details of changes in funds during the period arising from transactions with fund holders in their capacity as such have been presented separately from all other income and expenses in a revised Statement of Changes in Funds. All other items of income and expense are presented in a new primary statement, the Statement of Comprehensive Income and Expenditure. The new format for the Statement of Comprehensive Income and Expenditure and the Statement of Changes in Funds has been adopted in this financial report. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.**

   漢群慈善基金有限公司
   財務報表附註
   截至二零一零年三月三十一日止年度
   2. **主要會計政策（續）**

   (a) **編製基準（續）**

   - 香港財務報告準則 - 對香港財務報告準則之改善
   - 香港會計準則第1號 - 財務報表之呈列（經修訂）
   - 香港會計準則第23號 - 借貸成本（經修訂）
   - 香港會計準則第32號 - 可沽售金融工具及清盤及1號（經修訂）時產生之責任
   - 香港財務報告準則第1號 - 於附屬公司、共同控制1號及香港會計準則第27號（經修訂）實體或聯營公司之間投資成本
   - 香港財務報告準則第2號 - 歸屬條件和註銷
   - 香港財務報告準則第7號（經修訂） - 改善有關金融工具的披露
   - 香港財務報告準則第8號 - 經營分部
   - 香港財務報告 - 客戶忠誠計劃
   - 香港財務報告 - 有關於興建房地產的協議
   - 香港財務報告 - 對境外業務淨投資的對沖
   - 香港財務報告 - 從客戶轉移資產

   **由於採納香港會計準則第1號（經修訂）期內因與基金持有者之交易引致基金變動之明細，與其他收入及支出個別地呈列於經修訂的基金變動表，其他收入及支出則呈列於新的主要報表—全面收入與支出賬表。新的全面收入與支出賬表與基金變動表已在此財務報告採納。呈列方式的改變，對在任何期內所列報的損益、總收益或資產淨值並無影響。**
SHARE-HAPPINESS BENEVOLENT FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (continued)

The application of other HKFRS / new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment is required. Certain information based on the requirements of above standards has been presented for the first time in the current year.

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 2010:

HKFRSs
(Amendments)
HKFRSs
(Amendments)
HKAS 1 (Amendments)
HKAS 24
(Amendments)
HKAS 27 (Revised) (1)
HKAS 32
(Amendments) (2)
HKAS 38
(Amendments) (1)
HKAS 39
(Amendments) (1)
HKFRS 1
(Amendments) (3)
HKFRS 2
(Amendments)
HKFRS 3 (Revised) (1)
HKFRS 8
HKFRS 9 (3)
HK(IFRIC) – Int 14 (4)

Improvements to HKFRSs
(2009)
Improvements to HKFRSs
(2010)
Presentation of Financial Statements
Related Parties Disclosure
Consolidated and Separate Financial Statements
Classifications of Right Issues
Intangible assets
Embedded Derivatives
Limited Exemption from Comparative HKFRS 7 Disclosure for First-time Adopters
Group cash-settle share-based payment transactions
Business Combinations
Operating Segments
Financial Instruments

Prepayments of a Minimum Funding Requirement

(1) 香港財務報告準則 對香港財務報告準則之修訂
(2) 香港財務報告準則 對香港財務報告準則之修訂
(3) 香港合計準則第 1 號 財務報告之呈列
(4) 香港財務報告準則第 24 線上人士披露
(5) 香港會計準則第 27 綜合及獨立財務報表
(6) 香港會計準則第 32 供股分類
(7) 香港會計準則第 38 無形資產
(8) 香港會計準則第 39 裁入衍生工具
(9) 香港財務報告準則第 7 就首次納稅的 Gyms 香港財務報告準則之修訂
(10) 香港財務報告準則第 8 財務報告準則之修訂
(11) 香港財務報告準則第 9 財務報告準則之修訂
(12) 香港財務報告準則第 14 財務報告準則之修訂

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SHARE-HAPPINESS BENEVOLENT FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (continued)

HK(IFRIC) – Int 17 (1) Distribution of Non-cash Assets to Owners
HK(IFRIC) – Int 19 (3) Extinguishing Financial Liabilities with Equity Instruments

(1) Effective for annual periods beginning on or after 1 July 2009
(2) Effective for annual periods beginning on or after 1 February 2010
(3) Effective for annual periods beginning on or after 1 July 2010
(4) Effective for annual periods beginning on or after 1 January 2011
(5) Effective for annual periods beginning on or after 1 January 2013

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.
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

   (c) Foreign currency transaction (Continued)

   (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 each reporting date are recognised in the statement of comprehensive income and expenditure, 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 statement of financial position presented are translated at the closing rate at the each reporting date;
- income and expenses for the statement of comprehensive income and expenditure are translated at average exchange rates; and
- all resulting exchange difference are recognised as a separate component of equity.

(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.
SHARE-HAPPINESS BENEVOLENT FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) 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.

(g) 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 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

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial liabilities. As the Company maintains sufficient liquid fund, the liquidity risk is considered limited.

4. FAIR VALUE ESTIMATION

Current asset is included cash and bank balances only, the carrying amounts of current asset approximates their fair values.
SHARE-HAPPINESS BENEVOLENT FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

5. EXECUTIVE COMMITTEES' EMOLUMENT

Emolument of the executive committees disclosed pursuant to Section 161 of the Companies Ordinance is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Other emoluments</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

6. FUNDS

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

樂群慈善基金有限公司
財務報表附註
截至二零一零年三月三十一日止年度

5. 管理委員之酬金

以下為根據公司條例第 161 條披露之管理委員酬金：

二零一零年 二零零九年
港幣 港幣

袍金 無 無
其他酬金 無 無

6. 基金

本公司之基金變動詳情載於第六頁之基金變動表。