SHARE-HAPPINESS BENEVOLENT FUND LIMITED
(Incorporated in Hong Kong and limited by guarantee)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

樂群慈善基金有限公司
（於香港註冊成立的擔保有限公司）

報告書及財務報表

截至二零一一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
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SHARE-HAPPINESS BENEVOLENT FUND LIMITED

EXECUTIVE COMMITTEES’ REPORT

FOR THE YEAR ENDED 31 MARCH 2011

The executive committees present their report and the audited financial statements of the Company for the year ended 31 March 2011.

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 deficit of the Company for the year ended 31 March 2011 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. HON Hou Ian
Mr. LIU Wing Sun (Appointed on 24 November 2010)
Mr. TSAO Lung Yuen (Resigned on 24 November 2010)

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

Date: 29 October 2011

Chairman
INDEPENDENT HONORARY AUDITOR’S REPORT

TO THE MEMBERS OF SHARE-HAPPINESS BENEVOLENT FUND LIMITED
(Incorporated in Hong Kong limited by guarantee)

Report on the Financial Statements

We have audited the financial statements of Share-Happiness Benevolent Fund Limited (“the Company”) set out on pages 5 to 12, which comprise the statement of financial position as at 31 March 2011, 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 information.

Executive Committees’ Responsibility for the Financial Statements

The executive committees are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the executive committees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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 of financial statements that give a true and fair view 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 affairs of the Company as at 31 March 2011 and of the Company’s deficit and cash flows for the year then ended 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)
何成偉會計師事務所
香港執業會計師
Room D1, 19/F., United Centre,
95 Queensway, Hong Kong
香港金鐘道九十五號統一中心,
十九樓D1室

29 October 2011
二零一一年十月廿九日
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 2011

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations received</td>
<td>801,240</td>
<td>2,475,278</td>
</tr>
<tr>
<td>Less: Direct Expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sponsoring scholarship to poor and outstanding village students</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Children education program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance for the cost of living</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidizing operating expenses for schools</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,573,043</td>
<td>1,447,405</td>
</tr>
<tr>
<td></td>
<td>(771,803)</td>
<td>1,027,873</td>
</tr>
<tr>
<td>Add: Other Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank interest income</td>
<td>29,946</td>
<td>26,731</td>
</tr>
<tr>
<td></td>
<td>(741,857)</td>
<td>1,054,604</td>
</tr>
<tr>
<td>Less: Other Expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auditors’ remuneration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank charges</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Overseas traveling</td>
<td>8,256</td>
<td>52,431</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td></td>
<td>4,227</td>
</tr>
<tr>
<td>Sundry expenses</td>
<td></td>
<td>3,378</td>
</tr>
<tr>
<td>Website design fee</td>
<td></td>
<td>13,176</td>
</tr>
<tr>
<td></td>
<td>21,432</td>
<td>60,136</td>
</tr>
<tr>
<td>(Deficit)/Surplus for the Year</td>
<td>(763,289)</td>
<td>994,468</td>
</tr>
<tr>
<td>Other Comprehensive Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>90,048</td>
<td>(183,801)</td>
</tr>
<tr>
<td>Total Comprehensive Income for the Year</td>
<td>(673,241)</td>
<td>810,667</td>
</tr>
</tbody>
</table>
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 31 MARCH 2011

<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>尖子計畫基基金</td>
<td>烈校重建工程基金</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 2009</td>
<td>於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 and 1 April 2010</td>
<td>於二零一零年三月三十一日及二零一零年四月一日</td>
<td>1,764,569</td>
<td>454,702</td>
<td>231,721</td>
</tr>
<tr>
<td>Deficit for the year</td>
<td>本年度赤字</td>
<td>(763,289)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>匯兌差額</td>
<td>-</td>
<td>-</td>
<td>90,048</td>
</tr>
<tr>
<td>At 31 March 2011</td>
<td>於二零一一年三月三十一日</td>
<td>1,001,280</td>
<td>454,702</td>
<td>321,769</td>
</tr>
</tbody>
</table>

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SHARE-HAPPINESS BENEVOLENT FUND LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2011

<table>
<thead>
<tr>
<th>Note</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td>Current asset</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>流動資產</td>
<td>現金及銀行結餘</td>
</tr>
<tr>
<td>Net asset</td>
<td>淨資產</td>
<td></td>
</tr>
<tr>
<td>Financed by:</td>
<td>財政來源</td>
<td></td>
</tr>
<tr>
<td>Funds</td>
<td>基金</td>
<td></td>
</tr>
</tbody>
</table>

Approved by the Board of Executive Committees on 29 October 2011

管理委員會於二零一一年十月廿九日核准。

Executive Committee
管理委員

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

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH 2011

<table>
<thead>
<tr>
<th>Description</th>
<th>2011 HKS</th>
<th>2010 HKS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Deficit)/surplus for the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank interest income</td>
<td>(763,289)</td>
<td>994,468</td>
</tr>
<tr>
<td>Net cash (used in) / generated from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(793,235)</td>
<td>967,737</td>
</tr>
<tr>
<td><strong>Cash flows from investing activity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank interest income received</td>
<td>29,946</td>
<td>26,731</td>
</tr>
<tr>
<td>Net cash generated from investing activity</td>
<td>29,946</td>
<td>26,731</td>
</tr>
<tr>
<td><strong>Cash flows from financing activity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>90,048</td>
<td>(183,801)</td>
</tr>
<tr>
<td>Net cash generated from / (used in) financing activity</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>90,048</td>
<td>(183,801)</td>
</tr>
<tr>
<td><strong>Net (decrease) / increase in cash and cash equivalents</strong></td>
<td>(673,241)</td>
<td>810,667</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of the year</strong></td>
<td>2,450,992</td>
<td>1,640,325</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,777,751</td>
<td>2,450,992</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>1,777,751</td>
<td>2,450,992</td>
</tr>
</tbody>
</table>
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

1. STATUS AND PRINCIPAL ACTIVITIES OF THE COMPANY

The Company is incorporated in Hong Kong and limited by guarantee.

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 29 October 2011.

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 2011, the Company adopted the new/revised standards of HKFRS below, which are relevant to its operations.

樂群慈善基金有限公司
財務報告附註
截至二零一一年三月三十一日止年度

1. 公司狀況及主要業務

本公司是一間於香港註冊成立的擔保有限公司。

本公司註冊地址為香港金鐘道九十五號統一中心十九樓D1室。

公司每名成員均承諾於公司在其為成員期間或不再是成員之後一年內，一旦清盤，按章成立不超過港幣一百元的所需款額予公司的資產，用於償付公司於其仍為成員期間所訂約承擔的債項及債務，支付清算之費用、收費和開支以及用於調整分擔人彼此之間的權利。

本公司主要宗旨為籌募捐款為國內危校進行重建工程及贊助國內農村貧困和優秀學生的學費計劃。

除特別註明貨幣外，本財務報告乃以港幣(HKS)編製。本報告已經由管理委員會在二零一一年十月廿九日批准刊發。

2. 主要會計政策

(a) 編製基準

編製本財務報告採用的主要會計政策載於下文。除另有說明外，政策在本報告所有年度內貫徹應用。

本公司採納由香港會計師公會所頒佈之財政年度生效的新訂及經修訂香港財務報告準則（「香港財務報告準則」）、香港會計準則（「香港會計準則」）及詮釋（以下統稱「新香港財務報告準則」），賬目並依據歷史成本常規法編製。

採用新頒佈及經修訂香港財務報告準則

於二零一一年，本公司採納下列與本公司業務相關之新頒佈及經修訂之香港財務報告準則。
SHARE-HAPPINESS BENEVOLENT FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (continued)

HK(IFRIC) 17

Distribution of non-cash assets to owners

HKFRSs
(Amendments)

Improvements to HKFRSs (2009)

The application of new/revised 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.

The Company has not early applied the following revised HKFRSs that have been issued but are not yet effective, in these financial statements. These HKFRS are effective for annual periods beginning on or after 1 January 2011:

HKFRSs
(Amendments)

 Improvements to HKFRSs (2010)

HKAS 24
(Revised)

Related Party Disclosures

(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 2011
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.

樂群慈善基金有限公司
財務報告附註
截至二零一一年三月三十一日止年度
2. 主要會計政策 (續)
(c) 外幣匯兌 (續)
(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兌換外幣資產及負債所產生之外幣匯兌盈虧均於全面收入與支出賬表確認。

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：

- 呈報的財務狀況表內的資產和負債按各報告期末的收益匯率換算；
- 全面收入與支出賬表內的收入和費用按交易日期的平均匯率換算；及
- 所有由此生成的匯兌差額確認為權益的獨立組成項目。

(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) 撥備及或然負債

當本公司因過去某項事件而須承擔法律或法律推定之責任而可必須支取經濟利益以履行有關責任，並能可靠地作出估計時，即對時間性或數額不確定之負債入賬撥備。倘貨幣值實屬重大，則有關撥備以預計用作履行責任之支出的現值入賬。

倘支取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，除非支取之可能性極微，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，除非支取經濟利益之可能性極微。
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

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.

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>2011</th>
<th>2010</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.