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

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

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

截至二零一二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
<table>
<thead>
<tr>
<th>CONTENTS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive committees’ report</td>
<td>1 – 2</td>
</tr>
<tr>
<td>Independent honorary auditor’s report</td>
<td>3 – 4</td>
</tr>
<tr>
<td>Statement of comprehensive income and expenditure</td>
<td>5</td>
</tr>
<tr>
<td>Statement of changes in funds</td>
<td>6</td>
</tr>
<tr>
<td>Statement of financial position</td>
<td>7</td>
</tr>
<tr>
<td>Statement of cash flows</td>
<td>8</td>
</tr>
<tr>
<td>Notes to the financial statements</td>
<td>9 – 12</td>
</tr>
</tbody>
</table>

SHARE-HAPPINESS BENEVOLENT FUND LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

樂群慈善基金有限公司

報告書及財務報表

截至二零一二年三月三十一日止年度

目錄

管理委員會報告書

獨立義務核數師報告書

全面收入與支出賬表

基金變動表

財務狀況表

現金流量表

財務報表附註
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

EXECUTIVE COMMITTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2012

The executive committees present their report and the audited financial statements of the Company for the year ended 31 March 2012.

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 2012 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

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.

管理委員會報告書

截止二零一二年三月三十一日止年度

管理委員會提呈本公司截至二零一二年三月三十一日止年度之報告書及經審核財務報表。

主要事務

本公司主要宗旨為籌募捐款贊助國內農村貧困和優秀學生的學費計劃。

業績

本公司截至二零一二年三月三十一日止年度之盈餘計算數載於第五頁之全面收入與支出賬表中。

基金

本公司之基金變動詳情載於第六頁之基金變動表。

管理委員

於本年度內及截至本報告書日期止，本公司管理委員會成員如下：

魏莊先生
邱湛揚先生
韓震明先生
聶永生先生

根據本公司組織章程細則第三十九條，每屆管理委員之任期為三年。在本公司的第三次周年大會上及在其後每三次的周年大會上，管理委員會選按四分之一的人數或管理委員會決議確定的人數卸任。

管理委員之合約權益

本公司概無參與訂立任何本公司管理委員在其中擁有重大權益且與本公司業務有直接或間接關連，而於本年度年結日或於本年度內任何時間仍然有效之重大合約。

管理合約

本年度內，本公司並無就整體事務或任何重要事務之管理或行政工作簽訂或存在任何合約。
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
承管理委員會命

Chairman 主席
Date: 21 September 2012
日期：二零一二年九月廿一日

核數師
何氏偉會計師事務所任滿告退，惟符合資格並願膺選連任。本公司將於屆屆會員大會上提呈決議案，續聘何氏偉會計師事務所為本公司之義務核數師。
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 2012, and the statement of comprehensive income and expenditure, statement of changes in funds and statement of cash flows 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 the 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.

香港 吳耀輝會計師事務所

独立義務核數師報告書

致樂群慈善基金有限公司各會員

(於香港註冊成立的擔保有限公司)

財務報告書

本核數師已完成審核樂群慈善基金有限公司(“貴公司”)載於第五至十二頁之財務報告，包括於二零一二年三月三十一日財務狀況表，截至該日止年度之收入與支出概況表，基金變動表和現金流量表，以及重要會計政策概要及其他說明資料。

管理委員會財務報告負責人的責任

公司管理委員會須負責根據香港會計師公會頒佈之香港財務報告準則及按照香港《公司條例》之規定編製財務報告，使其作出真實及公平之反映，以及就公司管理委員會認為財務報告所必要之相關內部控制，使財務報告不存在由於欺詐或錯誤而導致重大錯誤陳述。

義務核數師責任

本核數師之責任為根據香港財務報告書及香港《公司條例》第141條以整體及局部為基礎之整體意見。因此，本報告只適用於本公司。核數師不會就本報告之內容向其他人士負上或承擔任何責任。本核數師已按照香港會計師公會頒佈之香港會計準則進行審核，該等準則規定本核數師遵守基本實踐，並當於相關財務報告適用之會計政策及結論合理之財務報告存在之完整性及適當性。

審核涉及執行程序以獲取有關財務報告所載資料及披露資料的審核憑證，所謂之程序必須導致核數師之結論，包括評估由於欺詐或錯誤而導致財務報告存在重大錯誤之風險。在評估該等風險時，核數師考慮與公司編製財務報告以作出真實及公平之反映有關之內部控制，及設計適當之審核程序，但絕對非對公司之內部控制之效能進行審核，審核亦包括評估管理委員會所採用的會計政策之合適性及所作出之財務報告之合理性，以及評價財務報告之整體列報方式。

本核數師相信，吾等所獲得之審核憑證足實際上達到及適當之審核解釋之目的。
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 2012 and of the Company's surplus 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)
香港執業會計師事務所
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

21 September 2012
二零一二年九月廿一日
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>INCOME</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations received</td>
<td>2,862,882</td>
<td>801,240</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>1,516,010</td>
<td>1,549,893</td>
</tr>
<tr>
<td>Children education program</td>
<td>1,478</td>
<td>23,150</td>
</tr>
<tr>
<td>Subsidizing operating expenses for schools</td>
<td>32,019</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>1,549,507</td>
<td>1,573,043</td>
</tr>
<tr>
<td>ADD: OTHER INCOME</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank interest income</td>
<td>52,417</td>
<td>29,946</td>
</tr>
<tr>
<td></td>
<td>1,365,792</td>
<td>(741,857)</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>154</td>
<td>-</td>
</tr>
<tr>
<td>Overseas traveling</td>
<td>24,707</td>
<td>8,256</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>148</td>
<td>-</td>
</tr>
<tr>
<td>Website design fee</td>
<td>3,600</td>
<td>13,176</td>
</tr>
<tr>
<td></td>
<td>28,609</td>
<td>21,432</td>
</tr>
<tr>
<td>SURPLUS / (DEFICIT) FOR THE YEAR</td>
<td>1,337,183</td>
<td>(763,289)</td>
</tr>
</tbody>
</table>

OTHER COMPREHENSIVE INCOME

Currency translation differences | 86,487 | 90,048 |

TOTAL COMPREHENSIVE INCOME / (EXPENSES) FOR THE YEAR | 1,423,670 | (673,241) |
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 31 MARCH 2012

<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>HK$</td>
<td>港幣</td>
<td>港幣</td>
<td>港幣</td>
<td>港幣</td>
</tr>
<tr>
<td>At 1 April 2010</td>
<td>1,764,569</td>
<td>454,702</td>
<td>231,721</td>
<td>2,450,992</td>
</tr>
<tr>
<td>Deficit for the year</td>
<td>(763,289)</td>
<td>-</td>
<td>-</td>
<td>(763,289)</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>-</td>
<td>-</td>
<td>90,048</td>
<td>90,048</td>
</tr>
<tr>
<td>At 31 March 2011 and 1 April 2011</td>
<td>1,001,280</td>
<td>454,702</td>
<td>321,769</td>
<td>1,777,751</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>1,337,183</td>
<td>-</td>
<td>-</td>
<td>1,337,183</td>
</tr>
<tr>
<td>Transferred from/ to accumulated surplus of The collapsing school re-construction fund</td>
<td>危校重建工程基金累積盈餘轉入(轉出)</td>
<td>454,702</td>
<td>(454,702)</td>
<td>-</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>-</td>
<td>-</td>
<td>86,487</td>
<td>86,487</td>
</tr>
<tr>
<td>At 31 March 2012</td>
<td>2,793,165</td>
<td>-</td>
<td>408,256</td>
<td>3,201,421</td>
</tr>
</tbody>
</table>
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2012

<table>
<thead>
<tr>
<th>Note</th>
<th>2012</th>
<th>2011</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>
</tbody>
</table>

Current asset

<table>
<thead>
<tr>
<th>Description</th>
<th>流動資產</th>
<th>應收銀行利息收入</th>
<th>現金及銀行結餘</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank interest income receivable</td>
<td>31,311</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>3,170,110</td>
<td>1,777,751</td>
<td></td>
</tr>
</tbody>
</table>

Net asset

<table>
<thead>
<tr>
<th>Description</th>
<th>淨資產</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,201,421</td>
</tr>
</tbody>
</table>

Financed by:

<table>
<thead>
<tr>
<th>Description</th>
<th>財政來源</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds</td>
<td>(6)</td>
</tr>
<tr>
<td></td>
<td>3,201,421</td>
</tr>
<tr>
<td></td>
<td>1,777,751</td>
</tr>
</tbody>
</table>

Approved by the Board of Executive Committees on 21 September 2012
管理委員會於二零一二年九月廿一日核准。

Executive Committee
管理委員

The accompanying notes form an integral part of these financial statements.
所有附註乃為本財務報表之一部份。

-7-
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2012

| Cash flows from operating activities | 經營活動現金流量 
Surplus / (deficit) for the year | 經營活動盈餘 / (赤字) | 1,337,183 | (763,289) |
| Adjustment for: | 就下列各項之調整: |
| Bank interest income | 銀行利息收入 | (52,417) | (29,946) |
| Net cash generated from / (used in) operating activities | 經營活動之現金流入/ (流出)淨額 | 1,284,766 | (793,235) |
| Cash flows from investing activity | 投資活動現金流量 |
| Bank interest income received | 已收取銀行利息 | 21,106 | 29,946 |
| Net cash generated from investing activity | 投資活動之現金流入淨額 | 21,106 | 29,946 |
| Cash flows from financing activity | 融資活動現金流量 
Currency translation differences | 外幣匯率變動之影響 | 86,487 | 90,048 |
| Net cash generated from financing activity | 融資活動之現金流入淨額 | 86,487 | 90,048 |
| Net increase / (decrease) in cash and cash equivalents | 現金及現金等值項目增加 
/ (減少) | 1,392,359 | (673,241) |
| Cash and cash equivalents at the beginning of the year | 於年初現金及現金等值 
項目之結餘 | 1,777,751 | 2,450,992 |
| Cash and cash equivalents at the end of the Year | 於年終現金及現金等值 
項目之結餘 | 3,170,110 | 1,777,751 |
| Analysis of the balance of cash and cash equivalents | 現金及現金等值項目之 
結餘分析 |
| Cash and bank balances | 現金及銀行結餘 | 3,170,110 | 1,777,751 |
SHARE-HAPPINESS BENEVOLENT FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

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 sponsor 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 21 September 2012

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)-Interps”) (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 2012, 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
財務報表附註
截至二零一二年三月三十一日止年度

1. 公司狀況及主要事務

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其身為成員期間或不再是成員之後一年內，一旦清算，分擔提供不超過港幣一百元的所需數額予公司的資產，以用於償付公司於其仍為成員期間所訂之承擔的債項及債務，支付清算的費用，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，本財務報表乃以港幣(HK$)編製。本報表已經由管理委員會在二零一二年九月廿一日批准刊發。

2. 主要會計政策

(a) 編製基準

編製本財務報表採用的主要會計政策載於下文，除另有說明外，此等政策在所呈報的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」），並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

於二零一二年，本公司採納下列與本公司業務相關之新頒佈/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 2012

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (continued)

HKFRSs
(Amendments) Improvements to HKFRSs (2010)

HKAS 24 Related Party Disclosures
(Revised)

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 HKFRSs are effective for annual periods beginning on or after 1 January 2012:

HKAS 1 (Amendment) (2) Presentation of Financial Statements
HKFRS 7 (Amendment) (1) Disclosures - Transfer of Financial Assets
HKFRS 9 (6) Financial Instruments
HKFRS 13 (3) Fair value measurement

(1) Effective for annual period beginning on or after 1 July 2011
(2) Effective for annual period beginning on or after 1 July 2012
(3) Effective for annual period beginning on or after 1 January 2013
(4) Effective for annual period beginning on or after 1 January 2015

(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 2012

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 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
財務報表附註
截至二零一二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收入及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日均匯率換算；
- 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
- 所有由此生產的匯兌差額已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) 擔保及或然負債

當本公司因過去某項事件而須承擔法律或法律所定之責任而可能須支付經濟利益以履行有關責任，並能可靠地作出估計時，即對期間性或數額不確定之負債人賬備付，倘負債數額屬重大，則有關備付以預計用作履行責任之支出的現流人賬。

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。惟可在日後一段期间或以上事件發生若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極微。
2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) The collapsing school re-construction fund

The main purpose 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 purpose 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 bank interest income receivable and 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>2012</th>
<th>2011</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.