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

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

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

截至二零一三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 2013**

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SHARE-HAPPINESS BENEVOLENT FUND LIMITED

EXECUTIVE COMMITTEES’ REPORT

FOR THE YEAR ENDED 31 MARCH 2013

The executive committees present their report and the audited financial statements of the Company for the year ended 31 March 2013.

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 2013 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.
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: 2 October 2013
日期：二零一三年十月二日
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 2013, 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.

香港金鐘道九十五號統一中心
十九樓 D1 室
電話: (852) 2127 7155， 2127 7146
傳真: (852) 2127 7148
電子信箱: info@raymondhocpa.com

雷凌輝 會計師事務所

Room D1, 19/F., United Centre,
95 Queensway, Hong Kong.
Tel: (852) 2127 7155， 2127 7146
Fax: (852) 2127 7148
E-mail: info@raymondhocpa.com
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 2013 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

2 October 2013
二零一三年十月二日
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 2013

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td></td>
<td>港幣</td>
<td>港幣</td>
</tr>
<tr>
<td>INCOME</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations received</td>
<td>1,074,200</td>
<td>2,862,882</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>1,214,207</td>
<td>1,516,010</td>
</tr>
<tr>
<td>Children education program</td>
<td>1,478</td>
<td></td>
</tr>
<tr>
<td>Sponsoring tuition fee</td>
<td>11,072</td>
<td>-</td>
</tr>
<tr>
<td>Subsidizing operating expenses for schools</td>
<td>32,019</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>1,225,279</td>
<td>1,549,507</td>
</tr>
<tr>
<td>(151,079)</td>
<td></td>
<td>1,313,375</td>
</tr>
<tr>
<td>ADD: OTHER INCOME</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank interest income</td>
<td>42,815</td>
<td>52,417</td>
</tr>
<tr>
<td></td>
<td>(108,264)</td>
<td>1,365,792</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>120</td>
<td>154</td>
</tr>
<tr>
<td>Overseas traveling</td>
<td>12,744</td>
<td>24,707</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>152</td>
<td>148</td>
</tr>
<tr>
<td>Website design fee</td>
<td>-</td>
<td>3,600</td>
</tr>
<tr>
<td></td>
<td>13,016</td>
<td>28,609</td>
</tr>
<tr>
<td>(DEFICIT) / SURPLUS FOR THE YEAR</td>
<td>(121,280)</td>
<td>1,337,183</td>
</tr>
<tr>
<td>OTHER COMPREHENSIVE INCOME</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>44,408</td>
<td>86,487</td>
</tr>
<tr>
<td>TOTAL COMPREHENSIVE (EXPENSES) / INCOME FOR THE YEAR</td>
<td>(76,872)</td>
<td>1,423,670</td>
</tr>
</tbody>
</table>
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 31 MARCH 2013

<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</td>
<td>合計</td>
</tr>
<tr>
<td></td>
<td>HK$</td>
<td>HK$</td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td>At 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>454,702</td>
<td>(454,702)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>86,487</td>
</tr>
</tbody>
</table>

At 31 March 2012 and 1 April 2012 | 2,793,165 | - | 408,256 | 3,201,421 |
| Deficit for the year      | (121,280) | - | - | (121,280) |
| Currency translation differences | -         | - | - | 44,408 |
| At 31 March 2013           | 2,671,885 | - | 452,664 | 3,124,549 |
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2013

<table>
<thead>
<tr>
<th>Note</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td></td>
<td>附註</td>
<td>港幣</td>
</tr>
</tbody>
</table>

**Current asset**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank interest income receivable</td>
<td>12,251</td>
<td>31,311</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>3,112,298</td>
<td>3,170,110</td>
</tr>
</tbody>
</table>

**Net asset**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td></td>
<td>附註</td>
<td>港幣</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net asset</td>
<td>3,124,549</td>
<td>3,201,421</td>
</tr>
</tbody>
</table>

**Financed by:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td></td>
<td>附註</td>
<td>港幣</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds</td>
<td>(6)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,124,549</td>
<td>3,201,421</td>
</tr>
</tbody>
</table>

Approved by the Board of Executive Committees on 2 October 2013

管理委員會於二零一三年十月二日核准。

The accompanying notes form an integral part of these financial statements.

所有附註乃為本財務報表之部份。
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2013

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities (Deficit) / surplus for the year</td>
<td>(121,280)</td>
<td>1,337,183</td>
</tr>
<tr>
<td>Adjustment for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank interest income</td>
<td>(42,815)</td>
<td>(52,417)</td>
</tr>
<tr>
<td>Net cash (used in) / generated from operating activities</td>
<td>(164,095)</td>
<td>1,284,766</td>
</tr>
<tr>
<td>Cash flows from investing activity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank interest income received</td>
<td>61,875</td>
<td>21,106</td>
</tr>
<tr>
<td>Net cash generated from investing activity</td>
<td>61,875</td>
<td>21,106</td>
</tr>
<tr>
<td>Cash flows from financing activity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>44,408</td>
<td>86,487</td>
</tr>
<tr>
<td>Net cash generated from financing activity</td>
<td>44,408</td>
<td>86,487</td>
</tr>
<tr>
<td>Net (decrease) / increase in cash and cash equivalents</td>
<td>(57,812)</td>
<td>1,392,359</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>3,170,110</td>
<td>1,777,751</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the year</td>
<td>3,112,298</td>
<td>3,170,110</td>
</tr>
<tr>
<td>Analysis of the balance of cash and cash equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>3,112,298</td>
<td>3,170,110</td>
</tr>
</tbody>
</table>
SHARE-HAPPINESS BENEVOLENT FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013
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 2 October 2013

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 revised HKFRSs

In 2013, the Company adopted the revised standards of
HKFRS below, which are relevant to its operations.

HKFRS 7 (Amendment) Disclosures – Transfer of
Financial Assets

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」)，並且並依據歷史成本常規法編
製。

採用經修訂香港財務報告準則

於二零一三年，本公司採納下列與本公司業務
相關之經修訂之香港財務報告準則。

香港財務報告準則 披露 轉讓財務資產
第 7 號(修訂本)
SHARE-HAPPINESS BENEVOLENT FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (continued)

The application of 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 new/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 2013:

<table>
<thead>
<tr>
<th>HKFRS</th>
<th>Improvements to HKFRSs (2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HKAS 1 (Amendment)</td>
<td>Presentation of Financial Statements</td>
</tr>
<tr>
<td>HKAS 32 (Amendment)</td>
<td>Financial Instruments: Presentation on Assets and Liability Offsetting</td>
</tr>
<tr>
<td>HKFRS 7 (Amendment)</td>
<td>Financial Instruments: Disclosure on Asset and Liability Offsetting</td>
</tr>
<tr>
<td>HKFRS 9 (3)</td>
<td>Financial Instruments</td>
</tr>
<tr>
<td>HKFRS 13</td>
<td>Fair value measurement</td>
</tr>
</tbody>
</table>

(1) Effective for annual period beginning on or after 1 July 2012
(2) Effective for annual period beginning on or after 1 January 2014
(3) 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.
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
defered 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.
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: currency 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>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
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<td>Fees</td>
<td>HKS</td>
<td>HKS</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.