樂群慈善基金有限公司
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

截至二零一九年三月三十一日止年度報告
ANNUAL REPORT
FOR THE YEAR ENDED 31st MARCH 2019

目錄
CONTENTS

<table>
<thead>
<tr>
<th>頁</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>管理委員會報告</td>
<td>Report of the Executive Committee</td>
</tr>
<tr>
<td>獨立核數師報告</td>
<td>Independent auditor's report</td>
</tr>
<tr>
<td>財務報表</td>
<td>Financial statements</td>
</tr>
</tbody>
</table>
樂群慈善基金有限公司

管理委員會報告

管理委員會謹提呈年度報告連同截至二零一九年三月三十一日止年度的已審計財務報表。

主要活動及業務審視

本年度內，本公司從事於推廣傳統中國道德教育及資助教師接受心理健康培訓。

本年度內，本公司依據《公司條例》第363(1)條符合資格為小型擔保公司，因此獲豁免而無須在本報告載有業務審視。

財務報表

本公司截至二零一九年三月三十一日止年度的盈餘及於同日的財政狀況列載於第21頁至第21頁的財務報表。

基金

本年度內基金變動情況列載於第10頁的權益變動表。

慈善捐款

本年度內本公司作出的慈善捐款為HK$217,647。

管理委員

本年度內及截至本報告日止的本公司管理委員為：

葉華先生
張佩鈴女士
廖永生先生
鄭建強先生(二零一八年九月六日辭任)

依照本公司組織章程細則第39條的規定，管理委員的任期為三年。在第三次週年大會及其後每三次的週年大會，管理委員應按四分之一的人數或管理委員會決定的人數卸任。

SHARE-HAPPINESS BENEVOLENT FUND LIMITED

REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee has pleasure in submitting the annual report together with the audited financial statements for the year ended 31st March 2019.

Principal activities and business review

During the year, the company was engaged in the promotion of traditional Chinese values, ethics and education and sponsorship to teachers to receive psychological health training.

The company qualifies as a small guarantee company under Section 363(1) of the Companies Ordinance in the year and is accordingly exempt from including a business review in this report.

Financial statements

The surplus of the company for the year ended 31st March 2019 and the state of the company's affairs at that date are set out in the financial statements on pages 8 to 21.

Funds

Movements in the funds during the year are set out in the statement of changes in equity on page 10.

Charitable donations

Donations made by the company during the year amounted to HK$217,647.

Executive Committee Members

The members of the Executive Committee of the company during the year and up to the date of this report have been:

Mr SIU Chong
Ms CHEUNG Pui Ni
Mr LIU Wing Sun
Mr CHENG Tat Keung, Albert (resigned on 6th September 2018)

In accordance with 39 of the company's articles of association, the term of office of a member of the Executive Committee shall be 3 years. One fourth of the Executive Committee Members or such number of the Executive Committee Members as resolved by the Executive Committee shall retire in the third annual general meeting and every third annual general meeting subsequently.
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

REPORT OF THE EXECUTIVE COMMITTEE

Executive Committee Members' interests in contracts of significance

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

Executive Committee Members' interests in management contracts

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

Auditors

The financial statements have been audited by KCG & Co., Certified Public Accountants, who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Executive Committee

代表管理委員會

SIU Chong, Chairman

香港，二零一九年九月二十三日

Hong Kong, 23rd September 2019
INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF
SHARE-HAPPINESS BENEVOLENT FUND LIMITED
(incorporated in Hong Kong with liability limited by guarantee)

Report on the audit of the financial statements

Qualified opinion

We have audited the financial statements of Share-Happiness Benevolent Fund Limited (“the company”) set out on pages 8 to 21, which comprise the statement of financial position at 31st March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for qualified opinion section of our report, the financial statements give a true and fair view of the financial position of the company as at 31st March 2019, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Companies Ordinance.

Basis for qualified opinion

(i) Audit confirmation has not been available in respect of bank deposit and balances of HK$3,504,082 in name of an Executive Committee Member as referred to in note 8 to the financial statements. In this regard, other than checking relevant bank statements to ascertain the aforesaid amounts, we have not been able to complete all necessary audit procedures for the verification of the said amounts.

(ii) Arrangement has not been made for us to attend the physical count of cash balance of HK$681,348 at the year end.

Any adjustment to these amounts would have a consequential effect on the surplus for the year and net assets at 31st March 2019.
我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該準則下承擔的責任已在本報告
「核數師就審計財務報告承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德
守則》(以下簡稱「守則」)，我們獨立於貴公司，並已履行守則中的其他專業道德責任。我們相信，我們所獲
得的審計憑證能充足及適當地為我們的保留意見提供基礎。

財務報告及其核數師報告以外的信
息

貴公司管理委員會對其他信息負責，
其他信息包括刊載於年度報告內的其
他信息，但不包括財務報告及我們的
核數師報告。

我們對財務報告的意見並不涵蓋其他
信息，我們亦不對該等其他信息發表
任何形式的鑑證結論。

結合我們對財務報告的審計，我們的
責任是閱讀其他信息，在此過程中，
考慮其他信息是否與財務報告或我們
在審計過程中所了解的情況存在重大
抵觸或似乎存在重大錯誤陳述的情
況。

基於我們已執行的工作，如果我們認
為其他信息存在重大錯誤陳述，我們
需要報告該事實。在這方面，我們沒
有任何報告。

管理委員及治理層就財務報告須承
擔的責任

貴公司管理委員會負責根據香港會計
師公會頒布的《香港財務報告準則》
及《公司條例》擬備真實而完整的財
務報告，並對其認為為使財務報告的
擬備不存在由於欺詐或錯誤而導致的
重大錯誤陳述所必需的內部控制負
責。

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKASs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Information other than the financial statements and the auditor’s report thereon

The Executive Committee Members are responsible for the other information. The other information comprises all the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Committee Members and those charged with governance for the financial statements

The Executive Committee Members are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Companies Ordinance, and for such internal control as the Executive Committee Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the Executive Committee Members are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee Members either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 405 of the 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
• Obtain an understanding of internal control relevant to the audit 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 company's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee Members.

• Conclude on the appropriateness of the Executive Committee Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on matters under Section 407(3) of the Companies Ordinance

In respect alone of the inability to obtain sufficient appropriate evidence about the matters referred to in the Basis for qualified opinion section, we have not obtained all the information and explanations that to the best of knowledge and belief, are necessary and material for the purpose of the audit.

嘉滙會計師事務所
KCG & Co.
Certified Public Accountants

香港灣仔軒尼詩道253-261號信和商業大廈14樓1401-02室
KCG & Co.
Certified Public Accountants
Rooms 1401-02, Easay Commercial Building, 253-261 Hennessy Road, Wanchai, Hong Kong

香港，二零一九年九月二十三日
Hong Kong, 23rd September 2019

- 7 -
<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Donation income</td>
<td>1,700,100</td>
<td>1,549,805</td>
</tr>
<tr>
<td></td>
<td>Other income, gain and (loss), net</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bank interest income</td>
<td>119,630</td>
<td>57,517</td>
</tr>
<tr>
<td></td>
<td>Exchange (loss) / gain</td>
<td>(240,788)</td>
<td>364,658</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(121,158)</td>
<td>422,175</td>
</tr>
<tr>
<td></td>
<td>Benevolent activity expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chinese ethics and culture promotion</td>
<td>734,426</td>
<td>367,655</td>
</tr>
<tr>
<td></td>
<td>Charitable donations and sponsorship</td>
<td>485,294</td>
<td>305,960</td>
</tr>
<tr>
<td></td>
<td>Printing</td>
<td>-</td>
<td>37,943</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,219,720</td>
<td>711,558</td>
</tr>
<tr>
<td></td>
<td>Administrative expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Auditors’ remuneration</td>
<td>12,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Bank charges</td>
<td>785</td>
<td>115</td>
</tr>
<tr>
<td></td>
<td>Professional fees</td>
<td>6,300</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Sundry expenses</td>
<td>405</td>
<td>5,021</td>
</tr>
<tr>
<td></td>
<td>Travelling</td>
<td>31,819</td>
<td>22,406</td>
</tr>
<tr>
<td></td>
<td></td>
<td>51,309</td>
<td>27,542</td>
</tr>
<tr>
<td></td>
<td>Surplus for the year</td>
<td>307,913</td>
<td>1,232,880</td>
</tr>
<tr>
<td></td>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total comprehensive income for the year</td>
<td>307,913</td>
<td>1,232,880</td>
</tr>
<tr>
<td>流動資產</td>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>---------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>應收銀行利息</td>
<td>Bank interest receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>現金及銀行結存</td>
<td>Cash and bank balances</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>附註</th>
<th>2019</th>
<th>2018</th>
<th>重列</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>4,227,013</td>
<td>18,511</td>
<td>Restated</td>
</tr>
<tr>
<td></td>
<td>4,227,013</td>
<td>3,888,589</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>流動負債</th>
<th>Current liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>應付費用</td>
<td>Accrued charge</td>
</tr>
</tbody>
</table>

| 12,000 | - |

<table>
<thead>
<tr>
<th>資產淨值</th>
<th>Net assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,215,013</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>權益</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>中國道德教育推廣基金</td>
<td>Traditional Chinese values, ethics and culture promotion fund</td>
</tr>
<tr>
<td>教師培訓資助計劃基金</td>
<td>Teacher's training sponsorship scheme fund</td>
</tr>
<tr>
<td>尖子資助計劃基金</td>
<td>Outstanding student scheme fund</td>
</tr>
<tr>
<td>累積基金</td>
<td>Accumulated funds</td>
</tr>
<tr>
<td>外幣兌換儲備</td>
<td>Currency translation reserve</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>9</th>
<th>4,215,013</th>
<th>-</th>
</tr>
</thead>
</table>

| 4,215,013 | 3,907,100 |

經管理委員會於二零一九年九月二十三日批准及許可刊發。
Approved and authorised for issue by the Executive Committee on 23rd September 2019

SIU Chong, Executive Committee Member

LIU Wing Sun, Executive Committee Member

The notes on pages 12 to 21 form part of these financial statements.
### SHARE-HAPPINESS BENEVOLENT FUND LIMITED

#### STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31st MARCH 2019**

<table>
<thead>
<tr>
<th></th>
<th>Traditional Chinese values, ethics and culture promotion fund</th>
<th>Teacher's training sponsorship scheme fund</th>
<th>Outstanding student sponsorship scheme fund</th>
<th>Accumulated funds</th>
<th>Currency translation reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HK$</td>
<td>HK$</td>
<td>HK$</td>
<td>HK$</td>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td>二零一七年四月一日</td>
<td>At 1st April 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 先前列報</td>
<td>- As previously reported</td>
<td>201,023</td>
<td>105,082</td>
<td>2,300,548</td>
<td>-</td>
<td>67,567</td>
</tr>
<tr>
<td>- 前期調整</td>
<td>- Prior period adjustment (note 4(b))</td>
<td>5,211</td>
<td>2,724</td>
<td>59,632</td>
<td>-</td>
<td>(67,567)</td>
</tr>
<tr>
<td>二零一八年三月三十一日</td>
<td>Surplus / (deficit) for the year ended 31st March 2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 重列</td>
<td>- As restated</td>
<td>206,234</td>
<td>107,806</td>
<td>2,360,180</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>二零一八年三月三十一日</td>
<td>At 31st March 2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 重列</td>
<td>(as restated)</td>
<td>1,196,437</td>
<td>(104,919)</td>
<td>141,362</td>
<td>-</td>
<td>1,232,880</td>
</tr>
<tr>
<td>基金賬目合併 (註5)</td>
<td>Consolidation of fund accounts (note 5)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>截至二零一九年三月三十一日</td>
<td>Surplus / (deficit) for the year ended 31st March 2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>二零一九年三月三十一日</td>
<td>At 31st March 2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

列載於第12頁至第21頁的附註為本財務報表的一部分。
The notes on pages 12 to 21 form part of these financial statements.
### SHARE-HAPPINESS BENEVOLENT FUND LIMITED
### STATEMENT OF CASH FLOWS
### FOR THE YEAR ENDED 31st MARCH 2019

<table>
<thead>
<tr>
<th>Activity</th>
<th>2019 (HK$)</th>
<th>2018 (HK$)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>307,913</td>
<td>1,232,880</td>
</tr>
<tr>
<td><strong>Adjustments for:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank interest income</td>
<td>(119,630)</td>
<td>(57,517)</td>
</tr>
<tr>
<td><strong>Operating surplus before working capital changes</strong></td>
<td>188,283</td>
<td>1,175,363</td>
</tr>
<tr>
<td>Increase in accrued charge</td>
<td>12,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash generated from operating activities</strong></td>
<td>200,283</td>
<td>1,175,363</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank interest received</td>
<td>138,141</td>
<td>39,006</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>338,424</td>
<td>1,214,369</td>
</tr>
<tr>
<td>Cash and cash equivalents at 1st April</td>
<td>3,888,589</td>
<td>2,674,220</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at 31st March</strong></td>
<td>4,227,013</td>
<td>3,888,589</td>
</tr>
</tbody>
</table>

列載於第12頁至第21頁的附註為本財務報表的一部份。
The notes on pages 12 to 21 form part of these financial statements.
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. General

Share-Happiness Benevolent Fund Limited (the "company") is a company incorporated in Hong Kong with liability limited by guarantee. The address of the registered office of the company is Rooms 1401-02, 14th Floor, Easley Commercial Building, 253-261 Hennessy Road, Wanchai, Hong Kong. During the year, the company was engaged in the promotion of traditional Chinese values, ethics and education and sponsorship to teachers to receive psychological health training.

Every members of the company undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, of within one year afterwards, such amount as may be required not exceeding HK$100.

2. Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the Hong Kong Institute of Certified Public Accountants. The financial statements have been prepared on the historical cost basis except for any financial instruments stated at fair value as explained below.

(a) Hong Kong Financial Reporting Standards first effective in the current year

During the year the company has adopted HKFRS 9 "Financial Instruments" and HKFRS 15 "Revenue from Contracts with Customers", both of which are first effective for the company's accounting periods beginning on or after 1st April 2018. The company has to change its accounting policies on adoption of HKFRS 9 as explained in note 3(a) below. Having regard to the category of financial assets of the company (cash and bank balances) and the nature of the company's income (donation income), the adoption of these financial reporting standards does not have a significant impact on the results and financial position of the company.

(b) Hong Kong Financial Reporting Standards in issue but not yet effective

In the current year, the company has not early adopted the following new and amendment HKFRSs that have been issued but are effective for the company's accounting periods beginning on or after 1st April 2019:

- 12 -
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of preparation (cont’d)

(b) Hong Kong Financial Reporting Standards in issue but not yet effective (cont’d)

HKFRS 16
Amendments to HKFRS 9
Leases
Prepayment Feature with Negative Compensation

The Executive Committee considers that the application of these standards, if applicable, will not have any material impact on the company’s results and financial position in the initial year of application.

3. Significant accounting policies

(a) Financial assets

- Classification

From 1st April 2018, the company classifies its financial assets in the following categories: (i) those to be measured at fair value (either through other comprehensive income (OCI) or through profit or loss); and (ii) those to be measured at amortised cost. The classification depends on the entity’s business model for managing the financial assets and the contract terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For equity investments that are not held for trading, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt instruments when and only when its business model for managing these assets changes.
SHARE-HAPPINESS BEINEVOLENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. Significant accounting policies (cont’d)

(a) Financial assets (cont’d)

• Recognition and measurement

At initial recognition, the company measures a financial asset at fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the company’s business model for managing the asset and the cash flow characteristics of the asset. Out of the three measurement categories, namely, amortised cost, FVOCI and FVPL, the company classifies its debt instruments into the category of amortised cost as explained below.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (expenses) together with foreign exchange gains and losses. Impairment loss are presented as separate line items in the income statement.

(b) Impairment of financial assets

From 1st April 2018, the company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.
SHARE-HAPPINESS BENEVOLENT FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS

3. Significant accounting policies (cont’d)

(a) Financial assets (cont’d)

- Accounting policies applied until 31st March 2018

Classification

The company has applied HKFRS 9 retrospectively but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the company’s previous accounting policies.

Until 31st March 2018, the company classified its financial assets in the category of loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for amounts that are settled or expected to be settled more than 12 months after the end of the accounting period, in which case they are classified as non-current assets. The company’s loans and receivables represent cash and bank balances.

Recognition and measurement

Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Impairment

The company assesses at the end of each reporting period whether there is objective evidence that an item of loans and receivables is impaired. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation.
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. Significant accounting policies (cont'd)

(a) Financial assets (cont'd)

- Accounting policies applied until 31st March 2018 (cont'd)

Impairment (cont'd)

The amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the impairment loss is recognised in the income statement.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the income statement.

(b) Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank deposits at call or having original maturities of three months or less.

(c) Foreign currency translation

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the end of the reporting period. Exchange gains or losses are recognised in profit or loss.

(d) Revenue recognition

(i) Donation income is recognised when the donation is received or established as being receivable.

(ii) Interest income on bank deposits is recognised on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipt over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.
3. 主要會計政策(續)

(e) 關聯方

(a) 若該人士符合下列條件
，則該人士或其近親均
被列為與本公司有關
聯:

i. 對本公司有控制權或聯
合控制權;

ii. 對本公司有重大影響力
；

iii. 是本公司或本公司母公司
的主要管理人員之一。

(b) 若該機構符合下列任何
條件，則被列為與本公司
有關聯:

i. 該機構與本公司為同一
集團成員(這等同於每
家控股公司、附屬機構
及同集團附屬機構彼此
關聯)。

ii. 一家機構是另一家機構
的聯營機構或合資機構
(或另一家機構其所屬
集團中的成員的聯營
機構或合資機構)。

iii. 兩家機構為同一實體
的合資機構。

iv. 一家機構為另一實體的
合資機構，而另一家機
構為該實體的聯營機
構。

v. 該機構為本公司或與本
公司有關的機構的僱員
設立的離職後福利計
劃。

vi. 該機構受符合(a)(i)所
列條件的人所控制或聯
合控制。

(c) Related parties

(a) A person or a close member of that person’s family is related to the
company if that person:

i. has control or joint control over the company;

ii. has significant influence over the company; or

iii. is a member of key management personnel of the company of the
company's parent.

(b) An entity is related to the company if any of the following
conditions applies:

i. The entity and the company are members of the same group (which
means that each parent, subsidiary and fellow subsidiary is related
to the others).

ii. One entity is an associate or joint venture of the other entity (or an
associate or joint venture of a member of a group of which the
other entity is a member).

iii. Both entities are joint ventures of the same third parties.

iv. One entity is a joint venture of a third entity and the other entity is
an associate of the third entity.

v. The entity is a post-employment benefit plan for the benefit of the
employees of the company or an entity related to the company.

vi. The entity is controlled or jointly controlled by a person identified
in (a)(i).
NOTES TO THE FINANCIAL STATEMENTS

3. Significant accounting policies (cont’d)

(e) Related parties (cont’d)

vii. A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

viii. The entity, or any member of a group of which it is a part provides key management personnel services to the company of to the parent of the company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. Prior period adjustments

On a review of the currency translation reserve during the year, the Executive Committee considered that the accumulated exchange gains of HK$432,225 at 31st March 2018, which had been resulted from the translation of foreign currency denominated bank balances and funds in prior years, should be recognised in profit or loss. This change results in a reclassification of exchange gain of HK$432,225 to the company's accumulated surpluses at 31st March 2018, of which HK$67,567 are attributed to periods ended on or before 31st March 2017. The effects of this reclassification, which is by way of prior period adjustments, are set out below:

(a) Statement of profit or loss and other comprehensive income for the year ended 31st March 2018

<table>
<thead>
<tr>
<th></th>
<th>As previously reported HK$</th>
<th>Prior period adjustments HK$</th>
<th>As restated HK$</th>
</tr>
</thead>
<tbody>
<tr>
<td>本年度盈餘</td>
<td>Surplus for the year 868,222</td>
<td>364,658</td>
<td>1,232,880</td>
</tr>
<tr>
<td>其他全面收益</td>
<td>Other comprehensive income 364,658</td>
<td>(364,658)</td>
<td></td>
</tr>
<tr>
<td>本年度全面收益</td>
<td>Total comprehensive income for the year 1,232,880</td>
<td></td>
<td>1,232,880</td>
</tr>
</tbody>
</table>
SHARE-HAPPINESS BENEVOLENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

4. Prior period adjustments (cont’d)

(b) Statement of financial position at 31st March 2018

<table>
<thead>
<tr>
<th>As previously reported HK$</th>
<th>Prior period adjustments HK$</th>
<th>As restated HK$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total funds at 31.3.2017</td>
<td>2,606,653</td>
<td>2,674,220</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>868,222</td>
<td>1,232,880</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total funds at 31.3.2018</td>
<td>3,474,875</td>
<td>3,907,100</td>
</tr>
</tbody>
</table>

5. Consolidation of fund accounts

On 1st April 2018, the Executive Committee resolved to consolidate various existing fund accounts into one single account entitled "Accumulated Funds" for the purpose of simplified presentation of the company’s funds.

6. Financial instruments

The company’s financial instruments include cash and bank balances. The risks associated with these financial instruments are discussed below.

(a) Management of financial risk

(i) Credit risk

The company’s credit risk is attributed to bank balances. As these funds were placed with financial institutions of high credit rating, the associated risk is insignificant.

(ii) Foreign currency risk

The company’s foreign currency denominated assets are as follows:

<table>
<thead>
<tr>
<th>2019 HK$</th>
<th>2018 HK$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank deposit and balances 3,504,082</td>
<td>3,575,786</td>
</tr>
<tr>
<td>Cash 681,348</td>
<td>257,380</td>
</tr>
<tr>
<td>Overall exposure 4,185,430</td>
<td>3,833,166</td>
</tr>
</tbody>
</table>

- 19 -
SHARE-HAPPINESS BENEVOLENT FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS

6. Financial instruments (cont'd)

(a) Management of financial risk (cont'd)

(ii) Foreign currency risk (contd)

The company's foreign currency risk is attributable to the above cash and bank balances denominated in Renminbi (RMB). At 31st March 2019, if RMB had strengthened / weakened by 5% against Hong Kong dollar with all other variables held constant, the surplus for the year and equity would have increased / decreased by HK$209,000 (31.3.2018 - HK$192,000) approximately.

(iii) Fair value estimation

There are no financial assets carried at fair value. The Executive Committee considers that the carrying amounts of all financial assets and liabilities, which are measured at amortised cost, approximate their fair values.

(b) Category of financial instruments

<table>
<thead>
<tr>
<th>Assets as per statement of financial position</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets at amortised cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank interest receivable</td>
<td>-</td>
<td>18,511</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>4,227,013</td>
<td>3,888,589</td>
</tr>
<tr>
<td></td>
<td>4,227,013</td>
<td>3,907,100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities as per statement of financial position</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial liabilities at amortised cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued charge</td>
<td>12,000</td>
<td>-</td>
</tr>
</tbody>
</table>

7. Executive Committee Members’ remuneration

Executive Committee Members’ remuneration disclosed pursuant to Section 383 of the Companies Ordinance is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other emoluments</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

- 20 -
SHARE-HAPPINESS BENEVOLENT FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS

8. Cash and bank balances

<table>
<thead>
<tr>
<th></th>
<th>2019 HK$</th>
<th>2018 HK$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank deposit and balances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- in name of the company</td>
<td>41,583</td>
<td>55,423</td>
</tr>
<tr>
<td>- in name of an Executive Committee Member (note)</td>
<td>3,504,082</td>
<td>3,575,786</td>
</tr>
<tr>
<td>Cash</td>
<td>681,348</td>
<td>257,380</td>
</tr>
<tr>
<td></td>
<td>4,227,013</td>
<td>3,888,589</td>
</tr>
</tbody>
</table>

Note: The relevant bank accounts were opened in the Mainland in the name of Mr SIU Chong for the sake of administrative convenience in withdrawing funds for use in various Mainland charitable projects.

9. Changes in equity

Movements in each item of equity during the year have been set out in the statement of equity on page 10.

10. Related party transactions

Other than those related party information disclosed elsewhere in these financial statements, during the year the company had the following transactions with related parties:

<table>
<thead>
<tr>
<th></th>
<th>2019 HK$</th>
<th>2018 HK$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations income from:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yuiton Limited 1</td>
<td>1,150,000</td>
<td>1,150,000</td>
</tr>
<tr>
<td>Mr SIU Chong 2</td>
<td>100</td>
<td>388,040</td>
</tr>
<tr>
<td>Mr SIU Chong 2 and Madam TSUI Bing Kit 3</td>
<td></td>
<td>550,000</td>
</tr>
<tr>
<td>Company jointly owned by Mr SIU Chong and Madam TSUI Bing Kit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive Committee Member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company Secretary</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Mr SIU Chong and Madam TSUI Bing Kit
2 Executive Committee Member
3 Company Secretary