

YAN OI TONG LIMITED

INCOME AND EXPENDITURE ACCOUNT

IN RESPECT OF THE SICHUAN EARTHQUAKE RELIEF FUND RAISING EVENT

HELD FROM MAY 23, 2008 TO MAY 25, 2008



Aaron Chan Certified Public Accountants (Practising) Ltd.

陳雅朗會計師事務所有限公司

Certified Public Accountants

香港灣仔軒尼詩道302-308號
集成中心1509室
Room 1509, C C Wu Building,
302-308 Hennessy Road,
Wanchai, Hong Kong

INDEPENDENT ASSURANCE REPORT TO THE
DIRECTORS OF YAN OI TONG LIMITED ("the Charity")

In accordance with our agreed terms of engagement, we have performed an engagement on the attached income and expenditure account of the Charity's general charitable fund-raising activity in respect of the Sichuan Earthquake relief held during the period from May 23, 2008 to May 25, 2008 ("the Event").

Respective responsibilities of the Directors and ourselves

The directors are responsible for preparing the attached income and expenditure account in accordance with the basis of preparation set out in note 2 to the accounts, setting out the gross subscriptions raised from the Event and the expenses incurred in connection with the Event, in order to comply with the conditions stated in the Public Subscription Permit issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region ("SWD"). This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the income and expenditure account so that it reflects the subscriptions raised and expenses incurred in connection with the Event and is free from material misstatement.

It is our responsibility to form a conclusion on the attached income and expenditure account, based on our engagement, and to report our conclusion to you and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the report.



Aaron Chan Certified Public Accountants (Practising) Ltd.

陳雅朗會計師事務所有限公司

Certified Public Accountants

香港灣仔軒尼詩道302-308號
集成中心1509室
Room 1509, C C Wu Building,
302-308 Hennessy Road,
Wanchai, Hong Kong

INDEPENDENT ASSURANCE REPORT TO THE
DIRECTORS OF YAN OI TONG LIMITED ("the Charity") (CONT'D)

Basis of conclusion

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to the "Circular on Reporting on General Charitable Fund-raising Activities Covered by Public Subscription Permits issued by the Social Welfare Department (Other than Flag Days)" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The work undertaken in connection with this engagement is less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Furthermore, due to the nature of cash receipts and expenses relating to general charitable fund-raising activities, it was not practicable for us to determine whether the income and expenditure account and the books and records of the Charity include all transactions relating to the Event. It was impracticable for us to quantify the potential impact of this on the income and expenditure account. Accordingly, our report relates solely to the income and expenditure account prepared from transactions that have been recorded in the Charity's books and records.

Our engagement included carrying out limited procedures for obtaining sufficient appropriate evidence to be able to draw a conclusion, such as inquiries primarily of persons responsible for financial and accounting matters and other procedures we considered necessary.



Aaron Chan Certified Public Accountants (Practising) Ltd.

陳雅朗會計師事務所有限公司

Certified Public Accountants

香港灣仔軒尼詩道302-308號
集成中心1509室
Room 1509, C C Wu Building,
302-308 Hennessy Road,
Wanchai, Hong Kong

INDEPENDENT ASSURANCE REPORT TO THE
DIRECTORS OF YAN OI TONG LIMITED ("the Charity") (CONT'D)

Conclusion

Based on the foregoing, we report that nothing has come to our attention that causes us to believe that the attached income and expenditure account does not reflect, in all material respects, the gross subscriptions raised and the expenses incurred by the Charity in respect of the Event that have been recorded in its books and records made available to us in accordance with the basis of preparation set out in note 2 to the accounts.

Use of report

This report is intended solely for the purpose of assisting the Charity to satisfy the conditions stated in the Public Subscription Permit (No. 2008/267/1) issued by SWD in connection with the Event and is not intended to be, and should not be, used for any other purpose.

We agree that a copy of this report may be provided to the Director of Social Welfare and may be published where the Charity is required to do so under the conditions stated in the relevant Public Subscription Permit without further comment from us.

AARON CHAN CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING) LIMITED

Certified Public Accountants

Room 1509, C.C. Wu Building,

302-308 Hennessy Road,

Wanchai, Hong Kong. 25 AUG 2008

- 3 -

YAN OI TONG LIMITED

INCOME AND EXPENDITURE ACCOUNT IN RESPECT OF THE SICHUAN EARTHQUAKE RELIEF
FUND RAISING EVENT HELD FROM MAY 23, 2008 TO MAY 25, 2008

HK\$

INCOME

Cash donation

17,720.20

Net income derived from the Sichuan
Earthquake Relief fund raising event

17,720.20

=====

Approved by the Director on 25 AUG 2008



Director

YAN OI TONG LIMITED

IN RESPECT OF THE SICHUAN EARTHQUAKE RELIEF FUND RAISING EVENT

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

1. General

Sichuan Earthquake Relief fund raising event is an event organized by Yan Oi Tong Limited for the purpose of raising charitable funds to assist the relief operation of the Sichuan earthquake.

2. Basis of accounts preparation and principal accounting policies

(a) Basis of accounts preparation

The income and expenditure account has been prepared under the historical cost convention.

(b) Income recognition

Donation income is recognised on cash basis during the fund raising event from May 23, 2008 to May 25, 2008.

(c) Expenditure

There were no expenses incurred for the event.