

INDEPENDENT ASSURANCE REPORT TO THE MANAGEMENT COMMITTEE MEMBERS OF CHI HENG FOUNDATION LIMITED (“the Permittee”)

Public subscription permit no. 2016/026/1

Pursuant to 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”), we have been requested to report on the attached income and expenditure account of the Permittee’s general charitable fund-raising activity held during the period from 1 February, 2016 to 30 June, 2016 but early terminated on 31 March, 2016 (“the Event”).

Respective responsibilities of the management committee members

The management committee members are responsible for preparing the attached income and expenditure account in accordance with the basis of preparation as disclosed in the income and expenditure account, 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 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.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner’s responsibilities

Our responsibility is to form a conclusion on the attached income and expenditure account, based on our engagement, and to report our conclusion to you.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to Practice Note 850, Reporting on Flag days and General Charitable Fund-raising Activities Covered by Public Subscription Permits issued by the Social Welfare Department issued by the HKICPA. We have planned and performed our work to obtain limited assurance for giving our conclusion below.

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.

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. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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TO THE MANAGEMENT COMMITTEE MEMBERS OF
CHI HENG FOUNDATION LIMITED (“the Permittee”) – cont’d**

Inherent limitations


Due to the nature of cash receipts and expenses relating to the Event, it was not practicable for us to determine whether the income and expenditure account and the books and records of the Permittee 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 Permittee's books and records.

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 Permittee 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 as disclosed in the income and expenditure account.

Intended users and purpose

This report is intended solely for the purpose of assisting the Permittee to satisfy the conditions stated in the Public Subscription Permit 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 without further comment from us.



Kreston CAC CPA Limited
Certified Public Accountants
CHAN Kwok Cheung
Practising certificate no. P01446

Hong Kong, 10 May, 2016

CHI HENG FOUNDATION LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR GENERAL CHARITABLE FUND-RAISING ACTIVITY HELD DURING THE PERIOD FROM 1 FEBRUARY 2016 TO 31 MARCH 2016 UNDER PUBLIC SUBSCRIPTION PERMIT NO. 2016/026/1

	HK\$
Income	
Donation received from recycled shopping bag redemption programme	6,320.80
Matching donation from co-host organisation	5,900.00
Additional donation from co-host organisation	<u>21,000.00</u>
Total income	33,220.80
Expenditure	(-)
Surplus from the fund-raising activity	<u>33,220.80</u>

Notes to the income and expenditure account

Basis of preparation

- (1) The purpose of the general charitable fund-raising events called "Chi Heng Foundation x Mira Mall, Color Your Heart DIY shopping bag redemption" is to raise funds for the education support programmes for AIDS orphans in China.
- (2) This income and expenditure account has been prepared in accordance with accruals basis.
- (3) Matching/additional donation were from the co-host organisation and received on 21 April, 2016.
- (4) During the event, there were 118 pcs shopping bags redeemed. The shopping bags were donated by and the venue was provided free of charge by Miramar Hotel and Investment Company Limited

Approved by the management committee members on 10 May, 2016.



Mr. Lam Sheung Lap, Leroy
Director



Mr. Chan Wing Kwong
Finance Director