Report of the Committee Members

Audited Financial Statements

BOSTON UNIVERSITY ALUMNI ASSOCIATIONS HONG KONG LIMITED

31 March 2008

Shum, Yeung, Lee and Mak CPA Limited

Certified Public Accountants

BOSTON UNIVERSITY ALUMNI ASSOCIATIONS HONG KONG LIMITED

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BOSTON UNIVERSITY ALUMNI ASSOCIATIONS HONG KONG LIMITED

REPORT OF THE COMMITTEE MEMBERS

The committee herein present their report and the audited financial statements of the Company for the year ended 31 March 2008.

Principal activity
The principle activity of the Company has not changed during the year and consisted of provision of informative and social activities for its members.

Results
The Company's loss for the year ended 31 March 2008 and its state of affairs at that date are set out in the financial statements on page 3 to 17.

Committee members
The committee members during the year and at the balance sheet date were:

Chan Wing Fung, Lincoln
Cheung Wang Kei, Wayne

In accordance with Article 30 of the Articles of Association of the Company, all committee members retire and, being eligible, offer themselves for re-election.

Committee members' interests
At no time during the year was the Company or any of its subsidiaries, its holding companies or its fellow subsidiaries a party to any arrangements to enable the Company's committee members to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Committee members' interests in contracts
No committee members had a significant beneficial interest in any contract of significance to the business of the Company to which the Company or any of its subsidiaries, its holding company or its fellow subsidiaries was a party during the year.

Auditors
Shum, Yeung, Lee and Mak CPA Limited was the auditors of the Company for the year ended 31 March 2008. A resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE COMMITTEE

CHAIRMAN, Hong Kong
30 September 2008

Shum, Yeung, Lee and Mak CPA Limited
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INDEPENDENT AUDITOR'S REPORT
To the members
Boston University Alumni Associations Hong Kong Limited
(incorporated in Hong Kong with limited liability)

We have audited the financial statements of Boston University Alumni Associations Hong Kong Limited on pages 3 to 17, which comprise the balance sheet as at 31 March 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Committee members' responsibility for the financial statements

The committee members are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 as to 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 judgement, 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 and true and fair presentation of the financial statements 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 committee members, as well as evaluating the overall presentation of the financial statements. We believe that our audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

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 2008 and of its loss 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.

Shum, Yeung, Lee & Mak CPA Limited
Certified Public Accountants
Mak Wai Ho
Practising Certificate Number : P04832
30 September 2008, Hong Kong

BOSTON UNIVERSITY ALUMNI ASSOCIATIONS HONG KONG LIMITED

INCOME STATEMENT

Year ended 31 March 2008

	Note	2008 HK$	2007 HK$
REVENUE		324,515	-
Administrative and operating expenses		(253,770)	(5,600)
SURPLUS / (DEFICIT) FOR THE YEAR	6	70,745	(5,600)

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

BOSTON UNIVERSITY ALUMNI ASSOCIATIONS HONG KONG LIMITED

BALANCE SHEET

31 March 2008

	2008 HK$	2007 HK$
CURRENT ASSETS		
Cash at bank	140,012	69,887
CURRENT LIABILITIES		
Account payables and accrued liabilities	(8,450)	(9,070)
	(8,450)	(9,070)
NET CURRENT ASSETS	131,562	60,817
CAPITAL AND RESERVES		
Foundation funds	75,000	75,000
Accumulated surplus / (deficits)	56,562	(14,183)
	131,562	60,817

Approved by :

Committee member

Committee member

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

BOSTON UNIVERSITY ALUMNI ASSOCIATIONS HONG KONG LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2008

	Foundation funds HK$	Accumulated surplus / (deficits) HK$	Total HK$
Balance as at 1 April 2006	75,000	(8,583)	66,417
Deficit for the year	-	(5,600)	(5,600)
Balance as at 31 March 2007 and 1 April 2007	75,000	(14,183)	60,817
Surplus for the year	-	70,745	70,745
Balance as at 31 March 2008	75,000	56,562	131,562

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

BOSTON UNIVERSITY ALUMNI ASSOCIATIONS HONG KONG LIMITED

CASH FLOW STATEMENT

Year ended 31 March 2008

	2008 HK$	2007 HK$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus / (Deficit) for the year	70,745	(5,600)
Operating surplus / (deficit) before working capital changes	70,745	(5,600)
Decrease in account payables and accrued expenses	(620)	(3,030)
Net cash inflow / (outflow) from operating activities	70,125	(8,630)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIBALENTS	70,125	(8,630)
Cash and cash equivalents at beginning of year	69,887	78,517
CASH AND CASH EQUIBALENTS AT END OF YEAR	140,012	69,887
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	140,012	69,887
	140,012	69,887

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

1. CORPORATE INFORMATION

Boston University Alumni Associations Hong Kong Limited is a company incorporated in Hong Kong with limited liability by guarantee. The principal activity of the Company is provision of informative and social activities for its members. The Company's registered office is located at House 6, 6th Street, Hong Lok Yuen, Tai Po, the New Territories.

2. BASIS OF PRESENTATION AND FUNDAMENTAL UNCERTAINTY

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations") issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") except when otherwise indicated.

3. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Company has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretation has had no material effect.

Amendment to HKAS 1	Presentation of Financial Instruments – Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 – Financial Reporting in Hyperinflationary Economies
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC) -Int 11	HKDRS 2 – Group and Treasury Share Transactions
HK(IFRIC) -Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

3. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Up to the date of issue of the financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2008 and have not been adopted in the financial statements:

HKAS 1 (Revised)	Presentation of Finanical Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC)-Int 12	Service Concession Arrangement[3]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[3]

1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods beginning on or after 1 July 2009
3 Effective for annual periods beginning on or after 1 January 2008

The Company is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Company's results of operations and financial position.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Impairment of non-financial assets (continued)
An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may not no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises.

Financial assets
Financial assets in the scope of HKAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investment, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date. All regular way purchases and sales of financial assets are recognised on the trade date, i.e., the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near terms. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments, Gains or losses on investment held for trading are recognised in the income statement.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long term investments that are intended to be held to maturity, such as bonds, are subsequently measured at amortised cost. Amortised cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interests method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in listed and unlisted equity securities that are designated as available for sale or are not classified in any of the other three categories. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimate is significant for that investment or (b) the probabilities or the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

Fair value

The fair value of investments that are actively traded in organised financial market is determined by reference to quoted market bid prices at the close of business at the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing models.

Impairment of financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in profit or loss.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a Company of financial assets with similar credit risk characteristics and that Company is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decrease and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Available-for-sale financial assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. Impairment losses on equity instruments classified as available-for-sale are not reversed through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised where:

(a) the rights to receive cash flows from the asset have expired;

(b) the Company retains the rights to receive cash flows from the asset, but has assumed an obligation to pay in full without material delay to a third party under a "pass-through" arrangement; or

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets (continued)

(c) the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, where the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities at amortised cost (including interest-bearing loans and borrowings)

Financial liabilities including trade and other payables and accruals, amount due to immediate holding company are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amount is recognised in profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Provisions
A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

Provisions for product warranties granted by the Company on certain products are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

Income tax
Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)
Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Related parties
A party is considered to be related to the Company, if:
(i) the party, directly or indirectly through one or more intermediaries, (1) controls, is controlled by, or is under common control with, the Company; (2) has an interest in the Company that gives it significant influence over the Company; or (3) has joint control over the Company;
(ii) the party is an associate;
(iii) the party is a jointly-controlled entity;
(iv) the party is a member of the key management personnel of the Company;
(v) the party is a close member of the family of any individual referred to in (i) to (iv);

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of the employees of the Company or of any entity that is a related party of the Company.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgments

In the process of applying the Company's accounting policies, management has made the following judgment, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Assessment of impairment of non-current assets

The Company tests annually whether non-current assets has suffered any impairment based on their value in use or their net selling price.

Estimation uncertainty

The key assumption concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below :

Fair value

The fair value of receivables, bank balances, payables and accruals, current borrowings and provisions are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

6. SURPLUS / (DEFICIT) FOR THE YEAR

Surplus / (Deficit) for the year is arrived at after charging:

	2008 HK$	2007 HK$
Auditors' remuneration	3,000	3,000
Committee members' remuneration:		
- Fee	-	-
- Other emoluments	-	-
	========	========

7. INCOME TAX

No provision for Hong Kong profits tax has been made as the Company is an association which has more than half of its receipts from its members and thus is exempted from Hong Kong profits tax.

8. GUARANTEE

Members of the Company have agreed to contribute an amount of, not exceeding HK$100.00 each, to the Company in the event of liquidation.

9. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the balance sheet date are as follows :

<u>Financial assets</u>

	2008 Loans and receivables HK$	2007 Loans and receivables HK$
Cash and cash equivalents	140,012	69,887
	140,012	69,887

<u>Financial liabilities</u>

	2008 Financial liabilities at amortised cost HK$	2007 Financial liabilities at amortised cost HK$
Financial liabilities included in account payables and accrued expenses	8,450	9,070
	8,450	9,070

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has various financial assets and liabilities which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarized below.

(a) Interest rate risk
The Company's exposure on fair value interest rate risk mainly arises from its deposits with banks. It also has exposure on cash flow interest rate risk which is mainly arising from its deposits with banks. But since the Group mainly holds saving and check deposits with banks, no material exposure on fair value interest rate risk is expected.

No sensitivity analysis is performed since the effect of change in interest rate on the Company's surplus / deficit for the year and accumulated surplus / deficits are immaterial for both the years ended 31 March 2008 and 31 March 2007.

(b) Foreign currency risk
The Company has no currency exposures.

(c) Credit risk
Since the Company does not conduct business activities, no concentration of credit risk is faced by the Company The credit risk of the Company's financial assets, which comprise cash and cash equivalents arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

(d) Liquidity risk
The Company is exposed to minimal liquidity risk on financial liabilities. It manages its fund conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet the liabilities due.

11. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were authorized for issue by the committee on 30 September 2008.