

**SINGAPORE CHINA FRIENDSHIP
ASSOCIATION**

(Registered in the Republic of Singapore)

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2009**

C. C. YANG & CO.

Certified Public Accountants

楊慶朝會計師公司

新加坡特許會計師

SINGAPORE CHINA FRIENDSHIP ASSOCIATION
(Registered in the Republic of Singapore)

REPORT AND FINANCIAL STATEMENTS

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SINGAPORE CHINA FRIENDSHIP ASSOCIATION
(Registered in the Republic of Singapore)

STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the accompanying financial statements set out on pages 4 to 16 are drawn up so as to give a true and fair view of the state of affairs of the Association as at 31 December 2009 and the results and statement of cash flows of the Association for the financial year then ended.

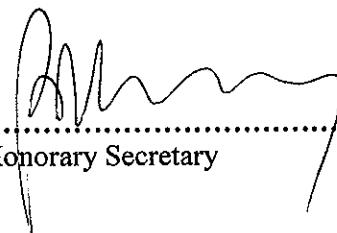
On behalf of the management
committee,



.....
President



.....
Honorary Treasurer



.....
Honorary Secretary

SINGAPORE
27 May 2011

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SINGAPORE CHINA FRIENDSHIP ASSOCIATION**
(Registered in the Republic of Singapore)

We have audited the accompanying financial statements of Singapore China Friendship Association, which comprise the statement of financial position as at 31 December 2009, and the income and expenditure statement and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management Committee's Responsibility for the Financial Statements

The management committee is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Societies Act, Cap 311. (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income and expenditure statement and statement of financial position and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) 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 Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 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 management committee, 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.

Opinion

In our opinion,

- (a) the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Association as at 31 December 2009 and the results and cash flows of the Association for the financial year ended on that date; and
- (b) the accounting and other records required by the regulations enacted under the Societies Act to be kept by the Association have been properly kept in accordance with those regulations.


C.C. YANG & CO.
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS

SINGAPORE
27 May 2011

SINGAPORE CHINA FRIENDSHIP ASSOCIATION
(Registered in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009
(Expressed in Singapore Dollars)

| | Note | <u>31.12.2009</u> \$ | <u>28.2.2009</u> \$ |
|-------------------------------------|------|-------------------------|------------------------|
| <u>ASSETS</u> | | | |
| <u>Non-Current Assets</u> | | | |
| Property, Plant and Equipment | 3 | - | - |
| Total Non-Current Assets | | - | - |
| <u>Current Assets</u> | | | |
| Other Receivables | 4 | 16,371 | 9,720 |
| Bank Balance | | 118,462 | 112,451 |
| Total Current Assets | | 134,833 | 122,171 |
| Total Assets | | <u>\$ 134,833</u> | <u>\$ 122,171</u> |
| <u>FUNDS AND LIABILITIES</u> | | | |
| <u>Funds</u> | | | |
| Association Fund | 5 | 78,253 | 65,260 |
| Total Funds | | 78,253 | 65,260 |
| <u>Current Liabilities</u> | | | |
| Other Payables | 6 | 55,837 | 56,911 |
| Tax Payable | | 743 | - |
| Total Current Liabilities | | 56,580 | 56,911 |
| Total Funds and Liabilities | | <u>\$ 134,833</u> | <u>\$ 122,171</u> |

See accompanying notes to financial statements

SINGAPORE CHINA FRIENDSHIP ASSOCIATION
(Registered in the Republic of Singapore)

INCOME AND EXPENDITURE STATEMENT
FOR THE PERIOD FROM 1 MARCH 2009 TO 31 DECEMBER 2009
(Expressed in Singapore Dollars)

| | Note | Period from 1.3.2009 to 31.12.2009 \$ | Period from 1.3.2008 to 28.2.2009 \$ |
|---|------|--|---|
| INCOME | | | |
| Entrance Fee | | 2,700 | 3,600 |
| Subscription | | 13,215 | 14,973 |
| Donations and tickets for XinJiang Song and dance performance | | 62,239 | - |
| | | <hr/> 78,154 | <hr/> 18,573 |
| Less: | | | |
| EXPENDITURE | | | |
| Cost of Operations | 7 | 59,378 | (940) |
| Accounting fee | | 1,600 | - |
| Advertisement | | 1,200 | - |
| Bank Charges | | 30 | 73 |
| Flower arrangements | | 390 | - |
| General Expenses | | - | 145 |
| Postage and Stamps | | 230 | 270 |
| Printing and Stationery | | 235 | 972 |
| Telephone Charges | | 263 | 174 |
| Transportation Charges | | 1,090 | 631 |
| Total Expenditure | | <hr/> 64,416 | <hr/> 1,325 |
| SURPLUS BEFORE INCOME TAX | | <hr/> 13,738 | <hr/> 17,248 |
| Less: | | | |
| INCOME TAX EXPENSE | 8 | (745) | - |
| SURPLUS AFTER INCOME TAX TRANSFERRED TO ASSOCIATION FUND | 5 | <hr/> \$ 12,993 ===== | <hr/> \$ 17,248 ===== |

See accompanying notes to financial statements

SINGAPORE CHINA FRIENDSHIP ASSOCIATION
(Registered in the Republic of Singapore)

**STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM
1 MARCH 2009 TO 31 DECEMBER 2009**
(Expressed in Singapore Dollars)

| | Period from 1.3.2009 to 31.12.2009 \$ | Period from 1.3.2008 to 28.2.2009 \$ |
|---|--|---|
| <u>Cash Flows From Operating Activities</u> | | |
| Surplus Before Income Tax | 13,738 | 17,248 |
| Operating Surplus Before Working Capital Changes | <hr/> 13,738 | <hr/> 17,248 |
| Decrease/(Increase) in Other Receivables | (6,651) | (3,220) |
| Increase/(Decrease) in Other Payables | (1,074) | 20,994 |
| Cash Flows From Operating Activities | <hr/> 6,013 | <hr/> 35,022 |
| Income Tax Paid | (2) | - |
| Net Cash Flows From Operating Activities | <hr/> 6,011 | <hr/> 35,022 |
| Net Increase in Cash and Cash Equivalents | 6,011 | 35,022 |
| Cash and Cash Equivalents at Beginning of Financial Year | 112,451 | 77,429 |
| Cash and Cash Equivalents at End of Financial Year | <hr/> <hr/> \$ 118,462 | <hr/> <hr/> \$ 112,451 |

See accompanying notes to financial statements

SINGAPORE CHINA FRIENDSHIP ASSOCIATION
(Registered in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

The Association is registered in Singapore under the Societies Act (Cap. 311).

The principal objects of the Association are provision of a forum for discussion and promotion of cultural, economic and trade relationship between Singapore and China.

The registered office address and principal place of business is located at 5 Toh Tuck Link, Singapore 596224.

The Association is domiciled in Singapore.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS) and the applicable requirements of the Singapore Societies Act.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

Functional Currency

The functional currency of the Association is the Singapore dollars. As income and expenditure are denominated primarily in Singapore dollars and receipts from operations are usually retained in Singapore dollars, the management committee is of the opinion that the Singapore dollars reflect the economic substance of the underlying events and circumstances relevant to the Association.

The financial statements are presented in Singapore dollars.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

In the current financial year, the Association has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2009. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Association's accounting policies and has no material effect on the amounts reported for the current or prior years.

2.3 Standards issued but not yet effective

The Association has not adopted the following standards and interpretations that have been issued but are only effective for annual financial periods beginning on or after the respective dates.

Effective 1 July 2009

| | |
|--------------------------------------|---|
| Amendments to FRS 27 | - Consolidated and Separate Financial Statements |
| Amendments to FRS 39 | - Financial Instruments: Recognition and Measurement - Eligible Hedged Item |
| Revised FRS 103 | - Business Combinations |
| Amendments to FRS 105 | - Non-current Assets Held for Sale and Discontinued Operations |
| INT FRS 117 | - Distributions of Non-cash Assets to Owners |
| INT FRS 118 | - Transfers of Assets from Customers |
| Improvements to FRSs issued in 2009: | |
| - Amendments to FRS 38 | - Intangible Assets |
| - Amendments to FRS 102 | - Share-based payment |
| - Amendments to INT FRS 109 | - Reassessment of Embedded Derivatives |
| - Amendments to INT FRS 116 | - Hedges of a Net Investment in a Foreign Operation |

Effective 1 January 2010

Improvements to FRSs issued in 2009:

| | |
|-------------------------|---|
| - Amendments to FRS 1 | - Presentation of Financial Statements |
| - Amendments to FRS 7 | - Statement of Cash Flows |
| - Amendments to FRS 17 | - Leases |
| - Amendments to FRS 36 | - Impairment of Assets |
| - FRS 39 | - Financial Instruments: Recognition and Measurement |
| - Amendments to FRS 102 | - Share-based Payment – Group Cash-settled Share Based Payment Transactions |
| - Amendments to FRS 105 | - Non-current Assets Held for Sale and Discontinued Operations |

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3 Standards issued but not yet effective (Cont'd)

Effective 1 February 2010

- | | |
|----------------------|--|
| Amendments to FRS 32 | - Financial Instruments: Presentation - Classification of Rights Issues |
|----------------------|--|

Effective 1 July 2010

- | | |
|-----------------------|---|
| INT FRS 119 | - Extinguishing Financial Liabilities with Equity Instruments |
| Amendments to FRS 101 | - Limited Exemption from Comparative FRS 107 Disclosures for First-Time Adopters |

Effective 1 January 2011

- | | |
|---------------------------|---|
| Revised FRS 24 | - Related Party Disclosures |
| Amendments to INT FRS 114 | - Prepayments of a Minimum Funding Requirement |
| INT FRS 115 | - Agreements for the Construction of Real Estate |

Except for the revised FRS 24, the Management Committee expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 24 is described below.

Revised FRS 24 Related Party Disclosures

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government related entities. The Association is currently determining the impact of the changes to the definition of a related party has on the disclosure of related party transaction. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Association when implemented in 2011.

2.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in the income and expenditure statement during the financial year in which it is incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Property, plant and equipment (Cont'd)

Depreciation is computed on the straight line method to write off the cost of property, plant and equipment over the estimated useful lives. The estimated useful lives of the property, plant and equipment are as follows:

| | |
|------------------|---------|
| Office equipment | 5 years |
|------------------|---------|

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at the end of each reporting year to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income and expenditure statement in the financial year the asset is derecognised.

2.5 Impairment of non-financial assets

The Association assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Association makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the income and expenditure statement except for assets that are previously revalued where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognised in revaluation reserve to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increased carrying amount of an asset cannot exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised previously. Such reversal is recognised in the income and expenditure statement unless the asset is measured at revalued amount, in which case the reversal is treated as revaluation increase.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Financial assets

Financial assets are recognised on the statement of financial position when, and only when, the Association becomes a party to the contractual provisions of the financial instrument.

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognised at fair value, plus directly attributable transaction costs and subsequently carried at amortised cost using the effective interest method. Gains and losses are recognised in the income and expenditure statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in reserve is recognised in the income and expenditure statement.

The Association classifies the following financial assets as loans and receivables:

- Bank balance
- Other receivables

2.7 Impairment of financial assets

The Association assesses at the end of each reporting year whether there is any objective evidence that a financial asset or group of financial assets is impaired.

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 through the use of an allowance account. The amount of the loss is recognised in the income and expenditure 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 previously recognised impairment loss is reversed to the extent that the carrying amount of the financial asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the income and expenditure statement.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise bank balance that is readily convertible to known amounts of cash and which is subject to an insignificant risk of changes in value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Association becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for financial guarantee) are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in the income and expenditure statement when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the income and expenditure statement. Net gains or losses on derivatives include exchange differences.

A financial liability is derecognised when the obligation under the liability is extinguished. 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 the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income and expenditure statement.

2.10 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured. Revenue is measured at the fair value consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

Membership subscriptions are recognised over the period of the subscription.

2.11 Income taxes

(i) Current tax

Income tax is provided in accordance with the provision of Section 11 (2) of the Income Tax Act applicable to associations.

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 Income Tax Authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting year.

(ii) Deferred tax

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.11 Income taxes (Cont'd)

(ii) Deferred tax (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry forward 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 carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting year 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.

Unrecognised deferred tax assets are reassessed at the end of each reporting year and are recognised to the extent that it has become probable that future taxable profit will allow 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 year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax relating to items recognised outside income and expenditure statement is recognised outside income and expenditure statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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.

(iii) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is as part of receivables or payables in the statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Significant accounting judgements and estimates

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. PROPERTY, PLANT AND EQUIPMENT

| | Office equipment \$ | Total \$ |
|------------------------------|---------------------------|-------------|
| 31.12.2009 | | |
| Cost: | | |
| At 1.3.2009 | 188 | 188 |
| At 31.12.2009 | <u>188</u> | <u>188</u> |
| Accumulated depreciation: | | |
| At 1.3.2009 | 188 | 188 |
| At 31.12.2009 | <u>188</u> | <u>188</u> |
| Net book value: | | |
| At 31.12.2009 | <u>\$ -</u> | <u>\$ -</u> |
| | Office equipment \$ | Total \$ |
| 28.2.2009 | | |
| Cost: | | |
| At 1.3.2008 | 188 | 188 |
| At 28.2.2009 | <u>188</u> | <u>188</u> |
| Accumulated depreciation: | | |
| At 1.3.2008 | 188 | 188 |
| At 28.2.2009 | <u>188</u> | <u>188</u> |
| Net book value: | | |
| At 28.2.2009 | <u>\$ -</u> | <u>\$ -</u> |

4. OTHER RECEIVABLES

| | <u>31.12.2009</u> | <u>28.2.2009</u> |
|----------------------|-------------------|------------------|
| | \$ | \$ |
| Annual subscriptions | 1,000 | 9,700 |
| Other receivables | 15,371 | 20 |
| | <u>\$ 16,371</u> | <u>\$ 9,720</u> |

5. ASSOCIATION FUND

| | <u>31.12.2009</u> | <u>28.2.2009</u> |
|---|-------------------|------------------|
| | \$ | \$ |
| Balance at beginning of financial year | 65,260 | 48,012 |
| Surplus for the financial year | | |
| - Transferred from income and expenditure statement | 12,993 | 17,248 |
| Balance at end of financial year | <u>\$ 78,253</u> | <u>\$ 65,260</u> |

6. OTHER PAYABLES

| | <u>31.12.2009</u> | <u>28.2.2009</u> |
|----------------------------------|-------------------|------------------|
| | \$ | \$ |
| Accrued expenses | 55,637 | 44,036 |
| Subscription received in advance | 200 | 12,875 |
| | <u>\$ 55,837</u> | <u>\$ 56,911</u> |

7. COST OF OPERATIONS

| | <u>31.12.2009</u> | <u>28.2.2009</u> |
|---|-------------------|------------------|
| | \$ | \$ |
| Xinjiang Students Training Group, net | (81) | - |
| XinJiang Song and Dance, performance expenses | 62,239 | - |
| AGM expenses | - | 1,070 |
| Congratulation and condolence | - | 5,297 |
| Entertainments | 720 | - |
| Training programme, net | - | (7,635) |
| Shanghai conference | - | (1,620) |
| 15 th Anniversary dinner | (2,600) | (5,494) |
| Exchange programme | - | (400) |
| Public lecture | - | 2,254 |
| Sponsorship | - | 3,000 |
| Travelling expenses | - | 560 |
| Chinese New Year Dinner 2009 | (900) | 2,028 |
| | <u>\$ 59,378</u> | <u>\$ (940)</u> |

8. INCOME TAX EXPENSE

| | <u>31.12.2009</u> | <u>28.2.2009</u> |
|---|-------------------|------------------|
| | \$ | \$ |
| Based on result for the year | | |
| - Current tax | 743 | - |
| - Underprovision in respect of prior year | 2 | - |
| | <u>\$ 745</u> | <u>\$ -</u> |

The income tax expense varies from the amount of income tax determined by applying the Singapore income tax rate to surplus before income tax as a result of the following:

| | <u>31.12.2009</u> | <u>28.2.2009</u> |
|--|-------------------|------------------|
| Surplus before income tax | <u>\$ 13,738</u> | <u>\$ 17,248</u> |
| Tax expense calculated at tax rate of 17% (28.2.2009 - 17%) | 2,336 | 2,932 |
| Income not subject to tax | - | (2,932) |
| Singapore statutory stepped income exemption | (1,593) | - |
| Underprovision in respect of prior year | 2 | - |
| | <u>\$ 745</u> | <u>\$ -</u> |

9. FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The Association's operation does not expose it to the various financial risks such as foreign currency exchange risk, interest rate risk and credit risk.

The Association has no exposure to both liquidity and cash flow risks as adequate funds through members' contributions are available to meet the Association operational requirements.

(b) Fair Values

The carrying amounts of financial assets and liabilities approximate their fair values at the end of the reporting year due to their short-term nature.

10. COMPARATIVE FIGURES

The financial statements for 31 December 2009 cover the period from 1 March 2009 to 31 December 2009. The financial statements for 28 February 2009 cover the period from 1 March 2008 to 28 February 2009. As a result, the comparative amounts for the income and expenditure statement, changes in equity, cash flows and the related notes to the financial statements are not comparable.