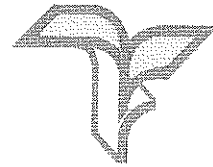


**OPERATION SMILE - CHINA MEDICAL MISSION LIMITED
REPORTS AND ACCOUNTS
FOR THE PERIOD FROM 12TH FEBRUARY 2009 TO 13TH FEBRUARY 2009
FOR PUBLIC SUBSCRIPTION PERMIT NO: 2009/058/1**

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MANUEL S. F. TJON & CO
Certified Public Accountants
張世和會計師事務所



**INDEPENDENT ASSURANCE REPORT TO THE COMMITTEE MEMBERS OF
OPERATION SMILE - CHINA MEDICAL MISSION 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 held during the period from 12th February 2009 to 13th February 2009 ("the Event").

Respective responsibilities of the Committee Members and ourselves

The Committee Members are responsible for preparing the attached income and expenditure account in accordance with the basis of preparation set out in note 1, 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 No. 2009/058/1 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, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

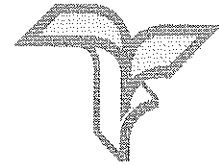
Basis of conclusion

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.

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.

MANUEL S. F. TJON & CO
Certified Public Accountants
張世和會計師事務所



**INDEPENDENT ASSURANCE REPORT TO THE COMMITTEE MEMBERS OF
OPERATION SMILE - CHINA MEDICAL MISSION LIMITED (CONTINUED)**

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 review procedures we considered necessary.

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 1.

Use of this report

This report is intended solely for the purpose of assisting the Charity 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 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.


MANUEL S. F. TJON & CO
Certified Public Accountants
Hong Kong
Date - 6 MAY 2009

OPERATION SMILE - CHINA MEDICAL MISSION LIMITED

STATEMENT OF INCOME AND EXPENDITURE
FOR THE PERIOD FROM 12TH FEBRUARY 2009 TO 13TH FEBRUARY 2009
FOR PUBLIC SUBSCRIPTION PERMIT NO: 2009/058/1

	<u>HK\$</u>
INCOME	
Donations received	5,996
LESS: EXPENDITURE	
Audit fee	1,300
Decoration	627
Refreshments	44
Transportation	90
Travelling	108
	2,169
SURPLUS	<u>3,827</u>

Certified true and correct by:



Operation Smile | China Medical Mission Limited

Hong Kong, - 6 MAY 2009

OPERATION SMILE - CHINA MEDICAL MISSION LIMITED

NOTES TO STATEMENT OF INCOME AND EXPENDITURE
FOR THE PERIOD FROM 12TH FEBRUARY 2009 TO 13TH FEBRUARY 2009
FOR PUBLIC SUBSCRIPTION PERMIT NO: 2009/058/1
(EXPRESSED IN HONG KONG DOLLARS)

1. Basis of preparation and accounting policies

These income and expenditure account have been prepared in accordance with accruals basis of accounting.

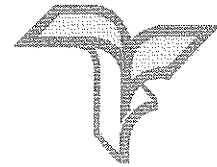
2. Application of funds raised

The net proceeds raised from the fund raising activities are to be applied for children in Mainland China with cleft lips and cleft palates by sponsoring medical missions and charity hospitals in China.

微笑行動中國基金有限公司
報告及財務報表
由二零零九年二月十二日至二零零九年二月十三日止期間
公開籌款許可證號碼: 2009/058/1

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MANUEL S. F. TJON & CO
Certified Public Accountants
張世和會計師事務所



獨立核數師報告書
致微笑行動中國基金有限公司委員會成員

按照我們雙方所協定的應聘條款，我們對隨附本報告書關於慈善機構於二零零九年二月十二日至二零零九年二月十三日舉行的一般慈善籌款活動籌款箱的收支結算表進行鑒證工作。

委員會成員及我們各自的責任

根據香港特別行政區政府社會福利署(社會福利署)發出的公開籌款許可證號碼 2009/058/1 所列條件，委員會成員須負責按照應計制基準編製隨附的收支結算表，列出有關活動所籌集的總捐款及實際開支。這責任包括設計、實施及維護編製及列報收支結算表的內部監控，使收支結算表反映有關活動所籌集的捐款及實際開支不存在任何重大錯誤陳述。

我們的責任是根據我們鑒證工作的結果對隨附的收支結算表作出結論，並向委員會成員報告。除此之外，本所的報告不可用作其他用途。本所概不就本報告的內容，對任何其他人士負責或承擔法律責任。

結論的基礎

我們已根據香港會計師公會(「公會」)頒佈的鑒證業務準則第3000號「非審核或審閱過往財務資料之鑒證工作」及參考公會所頒佈「有關申報獲發社會福利署公開籌款許可證的一般慈善籌款活動(賣旗日除外)的通函」(“Circular on Reporting on General Charitable Fund-raising Activities Covered by Public subscription Permits issued by the Social Welfare Department (Other than Flag Days)”)進行工作。

由於我們按照應聘條款進行工作的範圍較按照香港審計準則進行審核的範圍為小，所以不能保證我們會注意到在審核中可能會被發現的所有重大事項。因此，我們不會發表任何審核意見。

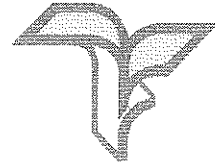
此外，基於一般慈善籌款活動以現金收支，我們難以確定慈善機構的收支結算表及帳冊與帳目紀錄是否已包括所有有關活動的交易，亦難以量化其對收支結算表的潛在影響。因此，我們僅與按照慈善機構帳冊及帳目紀錄所載交易編製的收支結算表作出報告。

我們的工作包括採取有限程序獲取充份和適當的憑證以作出結論，例如主要向負責財務會計事項的人員詢問，對財務數據實施分析程序及其他我們認為必要的審閱程序。

結論

根據以上所述，我們並沒有注意到任何事項，使我們相信隨附的收支結算表在所有重大方面沒有反映我們所獲取按照應計制基準而編製的帳冊及帳目紀錄所載有關活動籌集的總捐款及實際開支。

MANUEL S. F. TJON & CO
Certified Public Accountants
張世和會計師事務所



獨立核數師報告書
致微笑行動中國基金有限公司委員會成員

報告用途

本報告僅為協助慈善機構遵守社會福利署就有關活動所發公開籌款許可證所列的條件而編撰，不擬亦不得用作其他用途。

我們同意慈善機構可向社會福利署署長提供本報告，且慈善機構亦可根據有關公開籌款許可證所列條件刊載本報告而毋須再徵詢我們意見。

張世和會計師事務所
執業會計師

香港，二零零九年五月六日

微笑行動中國基金有限公司

詳細收益表

由二零零九年二月十二日至二零零九年二月十三日止期間

公開籌款許可證編號：2009/058/1

HK\$

收入

慈善捐款

5,996

扣減：開支

核數費

1,300

佈置費

627

茶水

44

運輸費

90

交通費

108

2,169

本期間盈餘

3,827