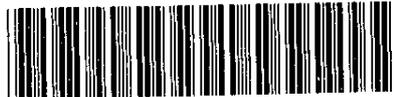


ASIAN DHAMMA CHARITIES FOUNDATION LIMITED  
(Incorporated in Hong Kong and limited by guarantee)

REPORT OF THE EXECUTIVE COMMITTEE  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2020



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**ASIAN DHAMMA CHARITIES FOUNDATION LIMITED**  
**(Incorporated in Hong Kong and limited by guarantee)**

**REPORT OF THE EXECUTIVE COMMITTEE AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2020**

**ASIAN DHAMMA CHARITIES FOUNDATION LIMITED**  
**(Incorporated in Hong Kong and limited by guarantee)**  
**REPORT OF THE EXECUTIVE COMMITTEE**

The members of Executive Committee have pleasure in submitting their report and audited financial statements of Asian Dhamma Charities Foundation Limited (the "Association") for the year ended 31st December 2020.

**PRINCIPAL ACTIVITIES**

The principal activities of the Association were organizing charitable affair and promotion of religious activities.

**RESULTS**

The results of the Association for the year ended 31st December 2020 and the state of affairs of the Association as at the end of the reporting period are set out in the annexed financial statements.

**FIXED ASSETS**

There was no movement in fixed assets of the Association during the year.

**EXECUTIVE COMMITTEE**

The members of the Executive Committee during the year and up to the date of this report were:--

Wang Tao Zhen  
Huang Jiong

In accordance with the Association's articles of association, all the members of the Executive Committee are due to retire in the forth coming annual general meeting of the Association, and being eligible offer themselves for re-election.

**BASIS OF ACCOUNTING**

The Association qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants. These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Association is a going concern.

**DEBENTURE**

The Association did not issue any debenture during the year.

**EQUITY-LINKED ARRANGEMENT**

No equity-linked agreement was entered into by the Association subsisted at the end of the year or any time during the year.

**PERMITTED INDEMNITY PROVISIONS**

At no time during the year and up to the date of this report were there any permitted indemnity provisions in force for the benefit of one or more members of the Executive Committee, or persons who were then directors, or director of an associated company, or persons who were then director of an associated company, of the Association.

## BUSINESS REVIEW

The Association falls within reporting exemption for the financial year. According to section 388(3)(a) of the Companies Ordinance (Cap. 622), the Association is exempted from preparation of a Business Review. There is no other matter that is material required to be disclosed for the members' appreciation of the state of the Association's affairs, nor any other matter the disclosure of which will not be harmful to the business of the association, for purpose of section 390(2) of the Companies Ordinance.

## INTEREST IN CONTRACTS

Save as disclosed in the related party transactions in the notes to the financial statements, no contracts of significance to which the association was a party and in which a interest, whether directly or indirectly, subsisted at the end of the period or at any time during the year.

At no time during the year was the Association a party to any arrangements to enable the member of the Executive committee of the Association to acquire benefits by means of the acquisition of shares in, or debentures of, the Association or any other body corporate.

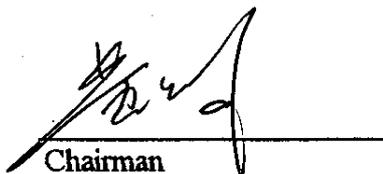
## MANAGEMENT CONTRACTS

No substantial contracts concerning the management and administration of the Association were entered into or existed during the year.

## AUDITORS

The Association's auditors, Messrs. K. S. Liu & Company, CPA Limited, Certified Public Accountants, retire and being eligible, offer themselves for re-appointment.

On behalf of the Board



Chairman

Huang Jiong

Hong Kong, 28 OCT 2021

# K.S. LIU & COMPANY, C.P.A. LTD 廖廣生會計師事務所有限公司

Certified Public Accountants

Tsim Sha Tsui P.O. Box 90752, Tsim Sha Tsui, Kowloon, Hong Kong



INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF ASIAN DHAMMA CHARITIES FOUNDATION LIMITED  
(Incorporated in Hong Kong and limited by guarantee)

Report on the Audit of the Financial Statements

## Qualified Opinion

We have audited the financial statements of Asian Dhamma Charities Foundation Limited (the "Association") set out in the annexed financial statements, which comprise the statement of financial position as at 31st December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in general fund and reserves for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the financial statements of the Association are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

## Emphasis of matter

We draw attention that the Association's current liabilities have exceeded its current assets by HK\$95,378 and its total liabilities have exceeded its total assets by HK\$95,378 as at 31st December 2020. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Association's ability to continue as a going concern. The Committee Member of the Association has agreed to provide continuing financial support to the Association to meet the demand on settlement of its liabilities and when they fall due for at least twelve months from the date that the financial statements are approved by the Executive Committee of the Association. The financial statements do not include any adjustments that are necessary in case the going concern assumption is not appropriate. We consider that adequate disclosure about this material uncertainty has been made in the financial statements.

## Basis for Qualified Opinion

Direct confirmation from the Association's bankers cannot be obtained. We express no opinion on the completeness of bank balances, bank loan, contingent liabilities, bills receivable and payable, if any, relating therefrom as stated in the statement of financial position.

The test for search of unrecorded liabilities cannot be performed and no confirmations of the balances of accounts payable, if any, are available and the Company's record do not permit the application of other auditing procedures to the balances.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised), *Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard* issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Executive Committee is responsible for the other information. The other information comprises the information included in the report of the Executive Committee, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Executive Committees' and Those Charged with Governance for the Financial Statements

The Executive Committees are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the Executive Committees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committees are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committees either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committees.
- Conclude on the appropriateness of the Executive Committees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



K.S. Liu & Company, CPA Ltd  
Certified Public Accountants

Date: **28 OCT 2021**

K.S. Liu & Company, CPA Ltd  
Certified Public Accountants  
Unit 1003, 10th Floor  
Rightful Centre  
12 Tak Hing Street  
Tsim Sha Tsui  
Kowloon

Messrs. K. S. Liu, Auditor  
Certified Public Accountant  
Practising Certificate Number:  
(P01586)

ASIAN DHAMMA CHARITIES FOUNDATION LIMITED  
(Incorporated in Hong Kong and limited by guarantee)  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR EDNED 31ST DECEMBER 2020

	Note	2020 HK\$	2019 HK\$
Income		35,671.48	38,888.00
Interest income		544.28	-
General and administrative expenses		(39,605.00)	(25,705.00)
Finance costs		<u>(3,041.97)</u>	<u>(1,506.68)</u>
(Deficit)/Surplus before taxation	(4)	(6,431.21)	11,676.32
Taxation	(5)	<u>-</u>	<u>-</u>
(Deficit)/Surplus for the year		(6,431.21)	11,676.32
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive (Deficit)/Surplus for the year		<u><u>(6,431.21)</u></u>	<u><u>11,676.32</u></u>

The accompanying notes form an integral part of the financial statements.

ASIAN DHAMMA CHARITIES FOUNDATION LIMITED  
(Incorporated in Hong Kong and limited by guarantee)  
STATEMENT OF FINANCIAL POSITION  
AS AT 31ST DECEMBER 2020

	Note	2020 HK\$	2019 HK\$
<b>ASSETS AND LIABILITIES</b>			
<b>Current Assets</b>			
Cash and cash equivalents	(6)	<u>20,373.79</u>	<u>10,000.00</u>
<b>Current Liabilities</b>			
Amount due to members		99,947.00	92,947.00
Accrued expenses		<u>15,805.00</u>	<u>6,000.00</u>
		<u>115,752.00</u>	<u>98,947.00</u>
Net Current Liabilities		<u>(95,378.21)</u>	<u>(88,947.00)</u>
Total Assets Less Current Liabilities		<u>(95,378.21)</u>	<u>(88,947.00)</u>

The accompanying notes form an integral part of the financial statements.

ASIAN DHAMMA CHARITIES FOUNDATION LIMITED  
(Incorporated in Hong Kong and limited by guarantee)  
STATEMENT OF FINANCIAL POSITION  
AS AT 31ST DECEMBER 2020

	Note	2020 HK\$	2019 HK\$
<b>FUNDS AND RESERVES</b>			
Reserves	(7)	<u>(95,378.21)</u>	<u>(88,947.00)</u>
Total Equity		<u><u>(95,378.21)</u></u>	<u><u>(88,947.00)</u></u>

Approved and authorised for issue by the Executive Committee on **28 OCT 2021**



Huang Jiong  
Chairman



Wang Tao Zhen  
Executive committee member

The accompanying notes form an integral part of the financial statements.

ASIAN DHAMMA CHARITIES FOUNDATION LIMITED  
(Incorporated in Hong Kong and limited by guarantee)  
STATEMENT OF CHANGES IN FUNDS AND RESERVES  
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Accumulated losses
	HK\$
Balance at 1st January 2019	(100,623.32)
Surplus for the year	<u>11,676.32</u>
Balance at 31st December 2019	(88,947.00)
Deficit for the year	<u>(6,431.21)</u>
Balance at 31st December 2020	<u><u>(95,378.21)</u></u>

The accompanying notes form an integral part of the financial statements.

**ASIAN DHAMMA CHARITIES FOUNDATION LIMITED**  
(Incorporated in Hong Kong and limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

**(1) GENERAL INFORMATION**

The Asian Dhamma Charities Foundation Limited (the "Association") was incorporated in Hong Kong under the Companies Ordinance as a company limited by guarantee and not having a share capital. The registered office of the Association is situated at Rm B., 10/F., 788-790 Nathan Road, Kowloon. Under the provisions of the Association's Memorandum of Association, every member undertakes to contribute to the assets of the Association being wound up, to the extent of HK\$100.

The Association is established to promote religious activities, to organize charitable affair, to raise money for subscriptions, to grant rights and privileges to members, to subscribe to charities, to grant donations for any charitable purpose and to administer the funds of the Association. The income and property of the Association are applied solely towards the promotion of objects set out in its Memorandum of Association. The funds and reserves of the Association are not distributable to its members.

These financial statements cover the Association individually and are presented in Hong Kong dollars unless otherwise stated.

**(2) BASIS OF PREPARATION**

The Association qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants. These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the company is a going concern. The measurement base adopted is the historical cost convention. The statement of financial position, statement of profit and loss and other comprehensive income, being the terminology as described for presentation in the accounts, represent the terms for disclosure of balance sheet and profit and loss account respectively.

**(3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

( a ) 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 end of the reporting period 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.

( b ) Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instruments. Financial assets are initially measured at fair value, which normally will be equal to the transaction price, plus transaction costs that are directly attributable to the acquisition of the financial assets or financial liabilities at fair value through profit and loss.

( c ) Financial assets

The Association's financial assets are classified into either loans and receivable or available-for-sale investments and other receivables. The Association determines the classification of its financial assets after initial recognition and, where allowed and appropriate, reconsiders their designation at each financial year end. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

( d ) Financial liabilities and equity

Financial liabilities and equity instruments issued by the association are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instruments is any contract that evidences a residual interest in the assets of the association after deducting all of its liabilities. The company financial liabilities are generally classified into financial liabilities at fair value through profit of loss, other financial liabilities and convertible loan notes. The accounting policies adopted for financial liabilities and equity instruments are set out below:

Financial liabilities at fair value through profit or loss has two subcategories, including financial liabilities held for trading and those designated at fair value through profit or loss on initial recognition. At the end of each reporting period subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

## Equity instruments

Equity instruments, if any, issued by the Association are recorded at the proceeds received, net of direct issue costs.

## Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the association has transferred and the association has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial assets, the difference between the carrying amount of the financial asset and the sum of the consideration received and cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

For financial liabilities, they are removed from the Association's statement of financial position (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expired). The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

### (e) Provision and contingent liabilities

Provisions are recognised for liabilities of uncertain timing of amount when the Association has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

### (f) Creditors and other payable

Creditors and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

### (g) Interest bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the income statement over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

**( h ) 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.

**( j ) Revenue recognition**

Revenue is recognised when it is probable that the economic benefits will flow to the Association and when the revenue can be measured reliably, on the following bases:

- (i) members donation, when the rights to receive payment have been established;**
- (ii) other income, when the rights to receive payment have been established.**

**( k ) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Association's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

**( l ) Related party**

Parties are considered to be related to the Association if the Association has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or vice versa, or where the Association and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/ or their closed family members) or other entities and include entities which are under the significant influence of related parties of the Association where those parties are individuals, and post employment benefit plans which are for the benefit of employees of the Association or of any entity that us a related party to the Association.

**( m ) Revenue**

Revenue represents the amount of member donations and other income.

(4) (DEFICIT)/SURPLUS BEFORE TAXATION

	2020 HK\$	2019 HK\$
(Deficit)/Surplus before taxation is stated after charging:		
Board members' remuneration	-	-
Audit fee	<u>6,300.00</u>	<u>6,000.00</u>

No members of executive committee received, or will receive, any fees or remuneration in respect of services to the Association. During the year, no emoluments were paid by the Association to the member as an inducement to join or upon joining the Association or as compensation for loss of office.

(5) TAXATION

No provision of Hong Kong profits tax has been made in the financial statements as the Company has been granted exemption from tax as charitable institution under section 88 of the Inland Revenue Ordinance (Cap.112) (2019 : Nil).

(6) CASH AND CASH EQUIVALENTS

	2020 HK\$	2019 HK\$
Cash and bank balances	<u>20,368.81</u>	<u>10,000.00</u>

(7) RESERVES

	HK\$
Balance as at 1st January 2019	(100,623.32)
Surplus for the year	<u>11,676.32</u>
Balance as at 31st December 2019	(88,947.00)
Deficit for the year	<u>(6,431.21)</u>
Balance as at 31st December 2020	<u>(95,378.21)</u>

(8) RELATED PARTY TRANSACTIONS

In addition to the transactions and balances set out elsewhere in the financial statements, the Association had the following material transactions with related parties during the year:

(a) The balances due to a member are interest free, unsecured and repayable on demand.

(b) Key management compensation

Key management personnel are deemed to be the members of the Executive Committee of the Association which have the responsibility for planning, directing and controlling the activities of the Association. None of the members received or will receive any fees or emoluments in respect of their services to Association during the year.

(9) COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.

(10) EVENTS AFTER THE REPORTING PERIOD

The COVID-19 outbreak and the recent Government anti-pandemic measures have brought about additional uncertainties in the Association operating environment and have impacted the Association operations and financial position. Since the development of the COVID-19 remains uncertain, it is not practicable to estimate the financial effect, that the pandemic may have had on the Association operations.