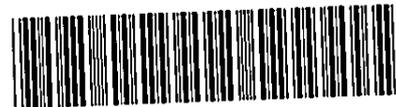


**ARTASIAPACIFIC FOUNDATION LIMITED**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**



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**AUDITED BY**

李兆良劉願宜會計師行有限公司  
SL LEE & LAU CPA LIMITED  
CERTIFIED PUBLIC ACCOUNTANTS  
HONG KONG

**ARTASIAPACIFIC FOUNDATION LIMITED**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**C O N T E N T S**

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# **ARTASIAPACIFIC FOUNDATION LIMITED**

## **REPORT OF THE DIRECTORS**

The directors submit herewith their report and the audited financial statements for the year ended December 31, 2020.

### **PRINCIPAL PLACE OF BUSINESS**

ArtAsiaPacific Foundation Limited ("the Company") is incorporated and domiciled in Hong Kong with limited liability by guarantee. The address of its registered office is Unit A, 12/F., Evergreen Industrial Mansion, 12 Yip Fat Street, Wong Chuk Hang, Hong Kong.

### **PRINCIPAL ACTIVITY**

The principal activity of the Company during the year was publishing of art magazines, books and media advertisement for the advancement and dissemination of useful information relevant to arts.

### **RESULTS**

The financial performance of the Company for the year ended December 31, 2020 and the financial position of the Company as at that date are set out in the accompanying financial statements.

### **DIRECTORS**

The following persons were directors of the Company during the year and up to the date of this report:

Elaine Wendy NG  
Patrick Georges GILLOT

In accordance with the Company's Articles of Association, all directors hold office for an unlimited period of time.

**ARTASIAPACIFIC FOUNDATION LIMITED**

**REPORT OF THE DIRECTORS**

**MANAGEMENT CONTRACTS**

There were no contracts concerning the management and administration of the whole or any substantial part of the business of the Company entered into or existed during the year.

**PERMITTED INDEMNITY PROVISIONS**

There were no permitted indemnity provisions (whether made by the Company or otherwise) in force for the benefit of any of the directors of the Company at any time during the year or at the time when this report is approved. There were no permitted indemnity provisions in force for the benefit of any of the directors / then directors of an associated company at any time during the year or at the time when this report is approved.

**EQUITY-LINKED AGREEMENTS**

There were no equity-linked agreements entered into during the year or in existence at the end of the year.

**AUDITOR**

The financial statements have been audited by SL Lee & Lau CPA Limited, Certified Public Accountants, who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Elaine Wendy NG  
DIRECTOR

September 9, 2021

香港上環德輔道中 248 號東協商業大廈 17 樓 1702 室. TEL : (852) 2815 7015  
RM 1702, 17/F. TUNG HIP COMMERCIAL BLDG., 248 DES VOEUX ROAD CENTRAL, H. K. FAX : (852) 2815 5546

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
ARTASIAPACIFIC FOUNDATION LIMITED**

(incorporated in Hong Kong with limited liability by guarantee)

**Opinion**

We have audited the financial statements of ArtAsiaPacific Foundation Limited ("the Company") set out on pages 6 to 12, which comprise the statement of financial position as at December 31, 2020, and the income statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company 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.

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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 Company 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 opinion.

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the directors' report, 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.

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## Other Information (cont'd)

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 Directors and Those Charged with Governance for the Financial Statements

The directors 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 directors 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 directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 reported 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 HKSAs 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 HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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## Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 Company 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.



**SL Lee & Lau CPA Limited**

*Certified Public Accountants*

**Chan Chi Hang Fredy**

*Practising Certificate Number P06591*

September 9, 2021

**ARTASIAPACIFIC FOUNDATION LIMITED**

**INCOME STATEMENT**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

(Expressed in Hong Kong dollars)

	<u>2020</u> HK\$	<u>2019</u> HK\$
<b>Revenue</b>		
Advertising income	937,856	1,783,966
Editorial service income	200,000	-
	<u>1,137,856</u>	<u>1,783,966</u>
<b>Direct costs</b>		
China tax	-	166,901
Commission	6,268	7,416
Design fee	14,000	32,867
Editing and writing fee	139,776	132,127
Freight charges	26,941	91,759
Printing production cost	168,699	323,878
Reimbursement expenses	213,395	357,675
	<u>569,079</u>	<u>1,112,623</u>
	<u>568,777</u>	<u>671,343</u>
<b>Other income</b>		
Sundry income	210	127
<b>Administrative expenses</b>		
Accounting fee	4,000	4,000
Auditor's remuneration	8,500	8,500
Bank charges	1,186	258
Company secretarial fee	605	605
Printing and stationery	-	3,165
Sundry expenses	1,500	840
	<u>15,791</u>	<u>17,368</u>
<b>Other operating expense</b>		
Exchange loss	183	-
<b>Surplus for the year</b>	<u><u>553,013</u></u>	<u><u>654,102</u></u>

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

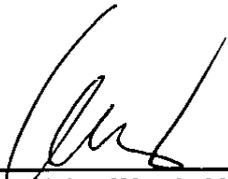
**ARTASIAPACIFIC FOUNDATION LIMITED**

**STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020**

(Expressed in Hong Kong dollars)

	<u>Note</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
<b>Current assets</b>			
Amount due from a related company	4	1,025,767	879,097
Prepayment		-	213,395
Accounts receivables		138,347	302,384
Bank balances		<u>910,941</u>	<u>159,175</u>
		<u>2,075,055</u>	<u>1,554,051</u>
<b>Current liabilities</b>			
Accounts and other payables		17,570	29,322
Receipt in advance		<u>513,131</u>	<u>533,388</u>
		<u>530,701</u>	<u>562,710</u>
<b>Net assets</b>		<u>1,544,354</u>	<u>991,341</u>
<b>Reserves</b>			
Accumulated surplus		<u>1,544,354</u>	<u>991,341</u>

APPROVED BY THE BOARD OF DIRECTORS ON SEPTEMBER 9, 2021

  
\_\_\_\_\_  
Elaine Wendy NG  
DIRECTOR

  
\_\_\_\_\_  
Patrick Georges GILLOT  
DIRECTOR

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

**ARTASIAPACIFIC FOUNDATION LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

(Expressed in Hong Kong dollars)

	Accumulated <u>surplus</u> HK\$
Balance as at December 31, 2019	991,341
Surplus for the year	<u>553,013</u>
Balance as at December 31, 2020	<u><u>1,544,354</u></u>

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

**ARTASIAPACIFIC FOUNDATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The Company qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance 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 going concern basis.

The measurement base adopted is the historical cost convention.

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

**(a) Revenue**

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

- Advertising income is recognised when the advertisement are published.
- Editorial service income is recognised in accordance with the terms of relevant agreement.

**(b) Foreign exchange**

The reporting currency of the Company is Hong Kong Dollars, which is the currency of the primary economic environment in which the Company operates.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

**(c) Accounts and other receivables**

Accounts and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

**ARTASIAPACIFIC FOUNDATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)**

(d) Related parties

A related party is a person or entity that is related to the Company.

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint venture of the same third party.
- (iv) One entity is a joint venture of a third party and the other entity is an associate of the third party.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity).

**ARTASIAPACIFIC FOUNDATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2. DIRECTORS' REMUNERATION**

Directors' remuneration disclosed pursuant to section 383 of the Hong Kong Companies Ordinance is as follows:

	<u>2020</u> HK\$	<u>2019</u> HK\$
Fees	-	-
Retirement benefits	-	-
Other emoluments	-	-
	<hr/>	<hr/>
	-	-
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**3. INCOME TAX**

The Company is exempted from Hong Kong profits tax under Section 88 of the Inland Revenue Ordinance.

**4. AMOUNT DUE FROM A RELATED COMPANY**

The amount is unsecured, interest free and has no fixed terms of repayment.

**5. CONTINGENT LIABILITIES AND COMMITMENTS**

The Company had no significant contingent liabilities and commitments.

**6. OTHER RELATED PARTY TRANSACTIONS**

In addition to the transactions and balances detailed elsewhere in these financial statements, the Company had the following transaction with a related company:

	<u>2020</u> HK\$	<u>2019</u> HK\$
Reimbursement expenses	213,395	357,675
	<hr/> <hr/>	<hr/> <hr/>

The member has significant influence to and beneficial interests in the related company.

**ARTASIAPACIFIC FOUNDATION LIMITED  
NOTES TO THE FINANCIAL STATEMENTS**

**7. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorised for issue by the Board of Directors on September 9, 2021.

**\*\*\* END \*\*\***