

中建富通普樂慈善基金有限公司
CCT FORTIS HOLDINGS CHARITABLE FOUNDATION LIMITED

REPORTING DOCUMENTS

For the year ended 31 December 2020

Certified as true by: |



Director/Secretary: Tam Ngai Hugg

Date: 29 OCT 2021

JMD & PARTNERS CPA LIMITED
Certified Public Accountants
HONG KONG



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CCT FORTIS HOLDINGS CHARITABLE FOUNDATION LIMITED
REPORTING DOCUMENTS
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Certified as true by:

Date:
Tsm Ngai Hung
Director Secretary

CCT FORTIS HOLDINGS CHARITABLE FOUNDATION LIMITED DIRECTORS' REPORT

INCORPORATION DETAILS

CCT Fortis Holdings Charitable Foundation Limited (the "Foundation") was incorporated on 28 December 2005 under the Hong Kong Companies Ordinance as a public Foundation limited by guarantee and therefore does not have any share capital. The details of the liability of its members are set out in note 1 to the financial statements.

PRINCIPAL ACTIVITY

The Foundation's principal activity was provision of charitable services.

RESULTS

The deficit of the Foundation for the year ended 31 December 2020 and the state of the Foundation's affairs as at that date are set out in the financial statements on pages 6 to 14.

DIRECTORS

The directors during the financial year and up to the date of this report were:

MAK SHIU TONG
TAM NGAI HUNG
CHENG YUK CHING

In accordance with the Articles 38 and 39 of the Foundation's Articles of Association, all directors shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

MANAGEMENT CONTRACTS

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

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance in relation to the Foundation to which the directors had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

PERMITTED INDEMNITY PROVISION

During the reporting period, there were no permitted indemnity provisions in force for the benefit of one or more directors of the Foundation.

BUSINESS REVIEW

The Foundation falls within reporting exemption for the financial year. Accordingly, the Foundation is exempted from preparing a business review under the Companies Ordinance (Chapter 622 of the laws of Hong Kong).

**CCT FORTIS HOLDINGS CHARITABLE FOUNDATION LIMITED
DIRECTORS' REPORT (CONTINUED)**

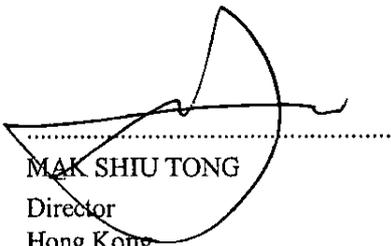
AUDITORS

These financial statements were audited by JMD & PARTNERS CPA LIMITED, who will retire and, being eligible, offer themselves for re-appointment as auditors of the Foundation at the forthcoming annual general meeting.

APPROVAL OF DIRECTORS' REPORT

This report was approved by the directors on 30 March 2021.

For and on behalf of
CCT FORTIS HOLDINGS
CHARITABLE FOUNDATION LIMITED



MAK SHIU TONG
Director
Hong Kong

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CCT FORTIS HOLDINGS CHARITABLE FOUNDATION LIMITED
(Incorporated in Hong Kong and limited by guarantee)**

Opinion

We have audited the financial statements of CCT FORTIS HOLDINGS CHARITABLE FOUNDATION LIMITED (“the Foundation”) set out on pages 6 to 14, which comprise the statement of financial position as at 31 December 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) 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 (“HKSA”) 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 Foundation 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 set out on pages 1 to 2, set out on the schedule, 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF CCT FORTIS HOLDINGS CHARITABLE FOUNDATION LIMITED
(Incorporated in Hong Kong and limited by guarantee)

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs 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 Foundation'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 Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion 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. 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. 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:

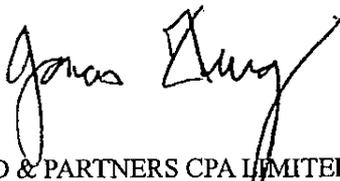
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF CCT FORTIS HOLDINGS CHARITABLE FOUNDATION LIMITED
(Incorporated in Hong Kong and limited by guarantee)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 Foundation'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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



JMD & PARTNERS CPA LIMITED
Certified Public Accountants
Hong Kong
Date: 30 March 2021
FUNG KUI KEI
Practising Certificate No.: P05668

CCT FORTIS HOLDINGS CHARITABLE FOUNDATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2020

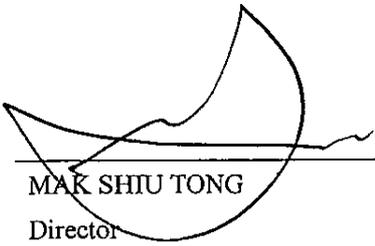
	Notes	2020 HK\$	2019 HK\$
Donations received		136,000	235,000
Donations paid		(139,547)	(207,234)
		<hr/>	<hr/>
		(3,547)	27,766
Administrative expenses		(7,000)	(22,752)
		<hr/>	<hr/>
(Deficit) / surplus before tax	6	(10,547)	5,014
Taxation	7	-	-
		<hr/>	<hr/>
(Deficit) / surplus for the year		(10,547)	5,014
Other comprehensive income for the year, net of tax		-	-
		<hr/>	<hr/>
Total comprehensive (loss) / income for the year		<u>(10,547)</u>	<u>5,014</u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

CCT FORTIS HOLDINGS CHARITABLE FOUNDATION LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

	2020	2019
	HK\$	HK\$
Current asset		
Cash and bank balances	3,310	13,857
	<u>3,310</u>	<u>13,857</u>
Net asset	<u>3,310</u>	<u>13,857</u>
Reserve		
Accumulated funds	3,310	13,857
	<u>3,310</u>	<u>13,857</u>

Approved by the directors and signed on behalf of the board of the Foundation by:



MAK SHIU TONG
Director



TAM NGAI HUNG
Director

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

CCT FORTIS HOLDINGS CHARITABLE FOUNDATION LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020

	Accumulated funds HK\$
Balance as at 1 January 2019	8,843
Surplus for the year and total comprehensive income for the year	5,014
Balance as at 31 December 2019	<u>13,857</u>
Deficit for the year and total comprehensive loss for the year	(10,547)
Balance as at 31 December 2020	<u><u>3,310</u></u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

CCT FORTIS HOLDINGS CHARITABLE FOUNDATION LIMITED
STATEMENT OF CASH FLOWS
For the year ended 31 December 2020

	2020	2019
	HK\$	HK\$
Cash flow from operating activities (Deficit) / surplus for the year	(10,547)	5,014
	<hr/>	<hr/>
Net cash (used in) / generated from operating activities	<u>(10,547)</u>	<u>5,014</u>
Net (decrease) / increase in cash and cash equivalents	(10,547)	5,014
Cash and cash equivalents at beginning of the year	13,857	8,843
	<hr/>	<hr/>
Cash and cash equivalents at end of the year	<u>3,310</u>	<u>13,857</u>
Cash and bank balances	<u>3,310</u>	<u>13,857</u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

CCT FORTIS HOLDINGS CHARITABLE FOUNDATION LIMITED
NOTES TO FINANCIAL STATEMENTS
For the year ended 31 December 2020

1. GENERAL INFORMATION

The Foundation is incorporated in Hong Kong and limited by guarantee under the Hong Kong Companies Ordinance. At the date of issue of these financial statements, the registered office of the Foundation is located at 18/F., CCT Telecom Building, 11 Wo Shing Street, Fotan, Shatin, New Territories, Hong Kong. Its principal activity is provision of charitable services.

The main objectives of the Foundation are for charitable purpose; the relief of poverty and distress, the advancement of education and religion, in each case for the benefit of the community of Hong Kong and of any Chinese communities elsewhere in the world and any other purposes of a charitable nature that are of benefit to the Hong Kong community.

The Foundation is not authorised to issue share capital. The liability of its members is limited to HK\$20 per member in the event of the Foundation being wound up while he/she/it is a member, or within one year after he/she/it ceases to be a member.

Unless stated otherwise, all currency figures in these financial statements are presented in Hong Kong Dollars (HK\$) rounded to the nearest dollar.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of the financial statements

The measurement basis used in preparing the financial statements is historical cost, except for financial assets at fair value through profit or loss, which are stated at fair value, and non-current assets and disposal groups held for sale, which are stated at the lower of carrying amount and fair value less costs to sell and in accordance with the HKFRS issued by HKICPA; and the disclosure requirements of the Hong Kong Companies Ordinance.

b. Donations received and paid

Donations received and paid are recorded on cash basis and are recognised through the fund's accounts.

c. Financial instruments

Financial assets are recognised when the Foundation becomes a party to the contractual provisions of the instruments. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

Financial assets

The Foundation's financial assets are classified into financial assets at amortised cost. 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 of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of such category of financial assets are set out below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Financial instruments (Continued)

Financial assets (Continued)

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost (cash and bank balances) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets at amortised cost are measured using the effective interest method, less any identified impairment losses.

Derecognition

The Foundation derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in statement of comprehensive income.

d. Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, bank overdrafts which are repayable on demand form an integral part of the Foundation's cash management and are included as a component of cash and cash equivalents.

e. Related parties

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

- (1) has control or joint control over the Foundation;
- (2) has significant influence over the Foundation; or
- (3) is a member of the key management personnel of the Foundation or a parent of the Foundation.

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

- (1) the entity and the Foundation are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (2) 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).
- (3) both entities are joint ventures of the same third party.
- (4) one entity is a joint venture of a third entity and the other entity is an associate of the third party.
- (5) the entity is a post-employment benefit plan for the benefit of employees of either the Foundation or an entity related to the Foundation.
- (6) the entity is controlled or jointly controlled by a person identified in (a).
- (7) a person identified in (a)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

CCT FORTIS HOLDINGS CHARITABLE FOUNDATION LIMITED
NOTES TO FINANCIAL STATEMENTS
For the year ended 31 December 2020

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Foundation has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendment to HKFRS 16	<i>COVID-19-Related Rent Concessions (early adopted)</i>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the new and revised HKFRSs are described below:

- (a) *Conceptual Framework for Financial Reporting 2018* (the "Conceptual Framework") sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Foundation.
- (b) Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Foundation has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Foundation.
- (c) Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate ("RFR"). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Foundation as the Foundation does not have any interest rate hedging relationships.

CCT FORTIS HOLDINGS CHARITABLE FOUNDATION LIMITED
NOTES TO FINANCIAL STATEMENTS
For the year ended 31 December 2020

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

- (d) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively. The amendments did not have any impact on the financial position and performance of the Foundation.
- (e) Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Foundation.

4. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Foundation has not applied the following new and revised HKFRSs that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework²</i>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform - Phase 2¹</i>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
HKFRS 17	<i>Insurance Contracts³</i>
Amendments to HKFRS 17	<i>Insurance Contracts^{3, 6}</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current^{3, 5}</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use²</i>
Amendments to HKAS 37	<i>Onerous Contracts - Cost of Fulfilling a Contract²</i>
Annual Improvements to HKFRSs 2018-2020	<i>Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41²</i>

- ¹ Effective for annual periods beginning on or after 1 January 2021
- ² Effective for annual periods beginning on or after 1 January 2022
- ³ Effective for annual periods beginning on or after 1 January 2023
- ⁴ No mandatory effective date yet determined but available for adoption
- ⁵ As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 *Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion
- ⁶ As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

CCT FORTIS HOLDINGS CHARITABLE FOUNDATION LIMITED
NOTES TO FINANCIAL STATEMENTS
For the year ended 31 December 2020

5. FINANCIAL INSTRUMENTS

The Foundation has classified its financial assets in the following categories:

a. Categories of financial instruments

	2020 HK\$	2019 HK\$
<u>Financial assets</u>		
Financial assets at amortised cost:		
Cash and bank balances	3,310	13,857

b. Financial risk management objectives and policies

The Foundation's major financial instruments comprise cash and bank balances.

It is, and has been, throughout the year under review, the Foundation's policy that no trading in financial instruments shall be undertaken.

6. (DEFICIT) / SURPLUS BEFORE TAX

The Foundation's (deficit) / surplus before tax is arrived at after charging the following item:

	2020 HK\$	2019 HK\$
Donations paid	139,547	207,234

7. TAXATION

The Foundation has been exempted from Hong Kong tax under Section 88 of the Inland Revenue Ordinance as a charitable institution of a public character.

8. APPROVAL AND ISSUE OF FINANCIAL STATEMENTS

The statement of financial position was approved and the financial statements were authorised for issue by the directors on 30 March 2021.