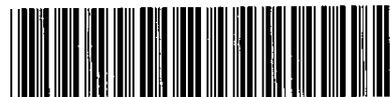


AUDIT REPORT

SUNSHINE ACTION LIMITED

For the year ended 31 December 2020

LEE TIN WAI
CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)
HONG KONG



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30/09/2021

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SUNSHINE ACTION LIMITED
REPORT OF THE DIRECTORS

The board of director herein presents the report and the audited financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

The principal activities of the Company are to relieve and assist persons who are in the conditions of poverty, hardship, distress, sickness and to preserve or promote health and education in any part of the world.

BUSINESS REVIEW

The Company falls within reporting exemption for the financial year. Accordingly, the Company is exempted from preparing a business review.

RESULTS AND APPROPRIATION

The Company's result for the year ended 31 December 2020 and its state of affairs at that date are set out in the financial statements on pages 7 to 12.

The Company's Memorandum of Association prohibits any distributions of profits, directly or indirectly, by way of dividend, bonus, or otherwise to the members of the Company.

SHARE CAPITAL

The Company is a company limited by guarantee and does not have a share capital.

PERMITTED INDEMNITY PROVISION

Article 72 of the Company's Articles of Association, provides that every Governor, agent, auditor, secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in relation to the Company in defending any proceedings, whether civil or criminal, in which judgement is given in his favor or in which he is acquitted or in connection with any application under section 358 of the predecessor Hong Kong Companies Ordinance (Cap.32) (equivalent to sections 902 to 904 of the Companies Ordinance (Cap.622)) in which relief is granted to him by the court. This permitted indemnity provision is in force during the financial year and at the time of approval of this report.

SUNSHINE ACTION LIMITED
REPORT OF THE DIRECTORS

DIRECTORS

The Directors of the Company during the financial year and at the date of this report were:

Mak Yiu Yeung
Lee Kam Yin

All existing directors shall retire at the forthcoming annual general meeting in accordance with article 46 of the Company's Articles of Association but, being eligible, offer themselves for re-election.

MANAGEMENT CONTRACTS

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

DIRECTORS' INTERESTS

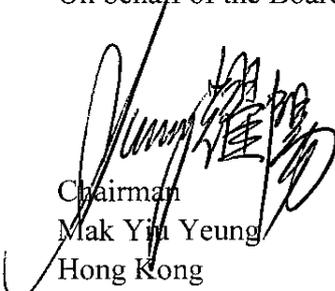
No contracts of significance to which the company was a party and in which a director had a material interest subsisted at the end of the year or at any time during the year.

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

APPROVAL OF DIRECTORS' REPORT

This report was approved by the Directors on 3 March 2021.

On behalf of the Board


Chairman
Mak Yiu Yeung
Hong Kong

李天維 執業會計師
LEE TIN WAI CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)

九龍油麻地新填地街288號美嘉商業大廈3樓

3/F, May Gar Commercial Building, 288 Reclamation Street, Kowloon, Hong Kong

Telephone: 2139 2344 Mobile: 9167 0770 Fax: 3522 3598

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
SUNSHINE ACTION LIMITED**

(Incorporated in Hong Kong with limited guarantee and not having a share capital)

Opinion

I have audited the financial statements of Sunshine Action Limited set out on pages 7 to 12, which comprise the statement of financial position as at 31 December 2020, the income statement for the year ended 31 December 2020, and a summary of significant accounting policies and other explanatory notes.

In my 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

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

李天維 執業會計師
LEE TIN WAI CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
SUNSHINE ACTION LIMITED**

(Incorporated in Hong Kong with limited guarantee and not having a share capital)

Other Information

The directors are responsible for the other information. The other information comprises all of the information included in the audit report, but does not include the financial statements and my auditor's report thereon.

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

In connection with my 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 I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation of financial statements in accordance with SME-FRS 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.

李天維 執業會計師
LEE TIN WAI CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
SUNSHINE ACTION LIMITED**

(Incorporated in Hong Kong with limited guarantee and not having a share capital)

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, for no other purpose. I 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's 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.

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

As part of an audit in accordance with HKSA's, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

李天維 執業會計師
LEE TIN WAI CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
SUNSHINE ACTION LIMITED

(Incorporated in Hong Kong with limited guarantee and not having a share capital)

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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

I 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 I identify during my audit.



Lee Tin Wai
Certified Public Accountant (practising)

Hong Kong
3 March 2021

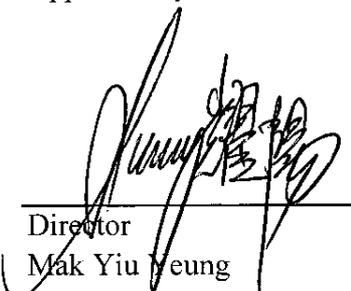
SUNSHINE ACTION LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 HK\$	2019 HK\$
REVENUE	3	1,377,167	923,677
Other revenue		1,038	8,193
Administrative and operating expenses		<u>(1,160,737)</u>	<u>(1,021,442)</u>
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES	4	217,468	(89,572)
Tax	6	<u>-</u>	<u>-</u>
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u>217,468</u>	<u>(89,572)</u>

SUNSHINE ACTION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	2020	2019
	HK\$	HK\$
CURRENT ASSETS		
Deposits and prepayment	21,500	23,000
Bank balances	<u>214,188</u>	<u>6,889</u>
	<u>235,688</u>	<u>29,889</u>
CURRENT LIABILITIES		
Due to a director	7 13,342	-
Accruals and other payables	<u>39,500</u>	<u>64,511</u>
	<u>52,842</u>	<u>64,511</u>
NET CURRENT ASSETS/(LIABILITIES)	<u><u>182,846</u></u>	<u><u>(34,622)</u></u>
 Represented by:		
Retained surplus/(deficit)	<u><u>182,846</u></u>	<u><u>(34,622)</u></u>

Approved by the Board of Directors



Director
Mak Yiu Yeung



Director
Lee Kam Yin

SUNSHINE ACTION LIMITED
STATEMENT OF CHANGES IN GENERAL FUND
AS AT 31 DECEMBER 2020

	HK\$
Balance as at 31 December 2018	54,950
Deficit for the year	<u>(89,572)</u>
Balance as at 31 December 2019	(34,622)
Surplus for the year	<u>217,468</u>
Balance as at 31 December 2020	<u><u>182,846</u></u>

SUNSHINE ACTION LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1) COMPANY INFORMATION

Sunshine Action Limited ("the Company") is a company incorporated in Hong Kong with limited liability. The principal place of business of the Company is located at 13D, Wing Kin Industrial Building, 4-6 Wing Kin Road, Kwai Chung, Hong Kong.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The company qualifies for the reporting exemption as a small private 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 Small and Medium-sized Entity Financial Reporting Standard issued by the Hong Kong Institute of Certified Public Accountants 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 presentation currency is Hong Kong Dollars.

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

Revenue recognition

Provided it is probable that the economic benefits associated with a transaction will flow to the company and the revenue and costs, if applicable, can be measured reliably, turnover and other revenue are recognised on the following bases:

- (a) Donation income, is recognised when donation is received and includes all sums received up to the date of statement of financial position.
- (b) Bank interest income is recognised on a time apportioned basis.

SUNSHINE ACTION LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

An individual is related to the Company if the individual (i) has, directly or indirectly, control or joint control or significant influence over the Company, or (ii) is member of the key management personnel of the Company, or (iii) if the individual is a close member of the family of the individuals in (i) or (ii).

Operating leases

Lease where substantially all the benefits and risks of the ownership of assets remain with the lessor are accounted for as operating leases. Rentals applicable to such operating leases are charged to the income statement as incurred.

Income tax

Current tax is recognised as income or expense, except to the extent that the tax arises from a transaction or event that is recognised other than in the income statement, based on estimated taxable profit using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Current tax for current and prior reporting periods is, to the extent unpaid (or refundable), recognised as a liability (or an asset).

Deferred tax is not recognised.

3) REVENUE

Revenue represents donation income received during the year.

4) SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES

Surplus/(deficit) from operating activities is arrived at after charging::

	2020	2019
	HK\$	HK\$
Hire of land and buildings under operating lease	82,500	14,000
Project expenses	<u>1,019,802</u>	<u>896,336</u>

SUNSHINE ACTION LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5) DIRECTORS' REMUNERATION

No remuneration of the directors (including former directors and shadow directors) of the Company disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are accrued or paid in regard of the year.

6) TAX

No Hong Kong profit tax has been provided as the Company is exempted from tax under Section 88 of the Inland Revenue Ordinance (2019: nil).

7) DUE TO A DIRECTOR

The amounts due to the director was unsecured, interest-free and without fixed terms of repayment.

8) OPERATING LEASE COMMITMENTS

At the end of the reporting date, the Company had the following commitments payable in the next year operating lease in respect of rented premise:

	2020	2019
	HK\$	HK\$
Operating leases which expire:		
Within one year	63,000	84,000
In the second to fifth years, inclusive	-	63,000
	<u>63,000</u>	<u>147,000</u>

9) 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 3 March 2021.

SUNSHINE ACTION LIMITED
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020
(For management purpose only)

	2020	2019
	HK\$	HK\$
DONATION INCOME	1,377,167	923,677
OTHER REVENUE		
Bank interest income	1	112
Exchange gain	1,037	81
Sundry income	-	8,000
EXPENDITURE		
Audit fee	3,000	3,000
Bank charges	7,596	7,290
Exchange loss	841	278
Hire of land and buildings under operating lease	82,500	14,000
Office supplies	39,913	55,605
Project expenses	848,802	672,336
Project expenses - homeless programme	171,000	224,000
Sundry expenses	7,085	44,933
	1,160,737	1,021,442
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES	217,468	(89,572)
Tax	-	-
NET SURPLUS/(DEFICIT) FOR THE YEAR	217,468	(89,572)