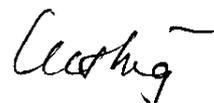


AMITY FOUNDATION, HONG KONG
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

CERTIFIED TRUE COPY



TONG KAI HONG ANTHONY
COMPANY SECRETARY



CY Chan
Certified Public Accountant (Practising)



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AMITY FOUNDATION, HONG KONG
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FOR THE YEAR ENDED 31 DECEMBER 2020

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AMITY FOUNDATION, HONG KONG
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the annual financial statements of the Foundation for the financial year ended 31 December 2020.

Directors

The names of persons who were the directors of the Foundation during the financial year and up to the date of this report are as follow:

Carino Theresa Chong Soo Nguh
Carroll Jr. Ewing Whitfield
Chen Darwin
Lee Ching Yee
Lo Hoi Yin Ambrose
So Shing Yit Eric
Tsang Fuk Chuen
Wickeri Philip Lauri
Yick Kar Lim

In accordance with clause 45 of the Foundation's Article of Association, all directors shall retire from office at the end of every term of office, but being eligible, offer themselves for re-election.

Principal Activities

The Foundation's principal activity in the course of the financial year are set out in note 1 to the financial statements.

Permitted Indemnity Provision

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more directors of the Foundation (whether made by the Foundation or otherwise), or an associated company (if made by the Foundation).

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the Foundation.

(to be continued)

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AMITY FOUNDATION, HONG KONG
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

(continued)

Management Contract

Except as disclosed, the Foundation did not enter into any contract, other than the contracts of service with the directors or any person engaged in the full-time employment of the Foundation, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the Foundation during the financial year.

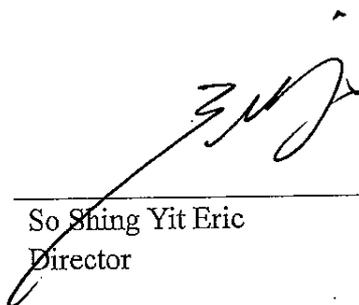
Auditors

The financial statements have been audited by Messrs. Chan Ching Yi Certified Public Accountant (Practising), who retire but, being eligible, offer themselves for re-appointment.

Approval of Directors' Report

This report was approved by the Directors on 28 June 2021.

On behalf of the Directors,



So Shing Yit Eric
Director

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AMITY FOUNDATION, HONG KONG**
(incorporated in Hong Kong with limited liability)

Opinion

I have audited the financial statements of Amity Foundation, Hong Kong ("the Foundation") set out on pages 8 to 14, which comprise the statement of financial position as at 31 December 2020, and the income and expenditure statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements of the Foundation 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 SME-FRS 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 my 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 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.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report comprises the information included in the directors' report set out on pages 1 to 2, 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, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, 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 the Directors 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.

(to be continued)

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AMITY FOUNDATION, HONG KONG**
(incorporated in Hong Kong with limited liability)

(continued)

Responsibilities of the Directors for the Financial Statements (Continued)

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. The directors are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

It is my responsibility to form an independent opinion, based on my audit, on those financial statements and to report my opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. I do not assume responsibility towards or accept liability to any other person for the contents of this report.

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. 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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.
- 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 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 Foundation to cease to continue as a going concern.

(to be continued)

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AMITY FOUNDATION, HONG KONG**
(incorporated in Hong Kong with limited liability)

(continued)

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

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.

CY CHAN Certified Public Accountant (Practising)

Hong Kong, 28 June 2021

Chan Ching Yi

Practising Certificate Number P05817

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AMITY FOUNDATION, HONG KONG
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 HKD	2019 HKD
Income			
Donation Received	4	7,810,520.17	3,674,704
Funding for Operating Costs	4	1,210,000.00	1,210,000
Government Grants	4	8,769,655.00	7,571,000
Other Income	4	<u>75,476.29</u>	<u>31,407</u>
Total Income		<u>17,865,651.46</u>	<u>12,487,111</u>
Expenditures			
Expenses related to Government Grants	5	(8,603,242.81)	(7,644,862)
Projects Expenses		(7,550,155.91)	(4,101,256)
General and Administrative Expenses		<u>(1,015,744.26)</u>	<u>(981,475)</u>
Total Expenditures		<u>(17,169,142.98)</u>	<u>(12,727,593)</u>
Surplus/ (Deficits) before Taxation	6	696,508.48	(240,482)
Taxation	8	<u>-</u>	<u>-</u>
Surplus/ (Deficits) for the Year		<u>696,508.48</u>	<u>(240,482)</u>

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

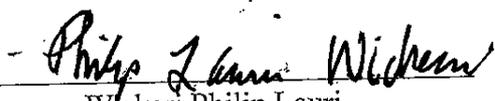
AMITY FOUNDATION, HONG KONG
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020 HKD	2019 HKD
Non-Current Assets			
Property, plant and equipment	9	<u>1,323,856.38</u>	<u>1,363,051</u>
Current Assets			
Current investments	10	251,254.45	342,514
Bank balances		<u>8,188,984.52</u>	<u>7,102,668</u>
		<u>8,440,238.97</u>	<u>7,445,182</u>
Current Liabilities			
Accrued expenses		<u>271,441.34</u>	<u>12,087</u>
		<u>271,441.34</u>	<u>12,087</u>
Net Current Assts		<u>8,168,797.63</u>	<u>7,433,095</u>
Net Assets		<u>9,492,654.01</u>	<u>8,796,146</u>
Equity			
Accumulated Surplus	12	<u>9,492,654.01</u>	<u>8,796,147</u>
Total Equity		<u>9,492,654.01</u>	<u>8,796,147</u>

Approved and authorized for issue by the Directors on 28 June 2021.



 So Shing Yit Eric
 Director



 Wickeri Philip Lauri
 Director

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

AMITY FOUNDATION, HONG KONG
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. General Information

Amity Foundation, Hong Kong (“the Foundation”) was incorporated as a company limited by guarantee in Hong Kong under the Hong Kong Companies Ordinance. At the date of issue of these financial statements, the registered office of the Foundation is located at 13/F., Ultragrace Commercial Building, 5 Jordon Road, Kowloon, Hong Kong. The principal activities of the Foundation was to support the charitable project work of the Amity Foundation in Nanjing, the People’s Republic of China, through administrative assistance, public relations exercises and fund-raising activities in Hong Kong.

2. Basis of Preparation

These financial statements comply with all applicable sections of the Hong Kong Small and Medium-sized Entity Financial Reporting Standard (“SME-FRS”) and have been prepared under the accrual basis of accounting and on the basis that the Foundation is a going concern.

The Foundation qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) and 361 of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its annual financial statements in accordance with the SME-FRS. These financial statements have been prepared in accordance with the SME-FRS.

The measurement base used in preparing these financial statements is the historical cost convention, the specific measurements of the elements in the financial statements are set out in note 3 to the financial statements.

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) Revenue

Revenue is recognized as income when it is probable that the economic benefits associated with transaction will flow to the Foundation and when the amount of revenue as well as costs incurred for the transaction can be measured reliably.

Donation income

Donation received is recognised upon the receipt of cash and cash equivalents.

Interest income

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

(to be continued) 0073

AMITY FOUNDATION, HONG KONG
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (Continued)

(b) Investment

An investment that qualifies for recognition as an asset is initially measured at its cost (including brokerages, fees, duties and taxes). After initial recognition, long-term investments are carried at cost less accumulated impairment losses. Current investments are carried at the lower of cost and net realisable value. Changes in carrying amount of an investment are recognised as income or expenses as appropriate. Held-to-maturity debt securities are carried at amortised cost. Discount or premium on acquisition is amortised on a systematic basis over the holding period using the straight-line method.

Interest and dividend receivables in connection with an investment are generally recognised as income except when such inflows represent a recovery of cost and do not form part of income. In this circumstance, the cash inflow representing a recovery of cost is deducted from cost.

(c) Foreign exchange

The reporting currency of the Foundation is Hong Kong Dollar (“HKD”), which is the currency of the primary economic environment in which the Foundation operates.

Foreign currency transactions are translated into the reporting currency at the approximate rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting year are translated at the approximate rates of exchange ruling at that date. Exchange differences arising on the settlement of monetary items or on translation of foreign currency monetary assets and liabilities are recognised as income or expenses.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on systematic basis over its estimated useful life using the reducing balance method. The principal annual rates used for depreciation are as follows:

Leasehold land	Over the lease terms
Building	2%
Furniture and equipment	20%

Both the useful life of an asset and its residual value, if any, are reviewed annually.

(to be continued) 0074

AMITY FOUNDATION, HONG KONG
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (Continued)

(d) Property, plant and equipment (continued)

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in income statement on the date of retirement or disposal.

(e) Government grants

Government grants are recognised as income over periods necessary to match them with the related costs they are intended to compensate, on a systematic basis when there is reasonable assurance that the Foundation will comply with the conditions attaching to them and the grants will be received. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Foundation, with no future related costs, is recognised as income of the period in which it becomes receivable. Government grants related to assets are presented in the statement of financial position by deducting the grants in arriving at the carrying amount of the asset.

(f) Impairment of assets

An assessment is made at the end of the reporting period to determine whether there is any indication of impairment or reversal of previous impairment of the assets. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognised for the asset in prior years.

(g) Trade and other payables

Trade and other payables are initially measured at their original invoice amount.

(h) Related parties

Parties are considered to be related if one party 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. Parties are also considered to be related if they are subject to common control or common significant influence.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

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AMITY FOUNDATION, HONG KONG
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Revenue

	2020	2019
	HKD	HKD
<u>Included in donation income</u>		
General and projects donation	7,810,520.17	3,674,704
<u>Included in funding for operating costs</u>		
Staff support fund	1,210,000.00	1,210,000
<u>Included in government grants</u>		
China flood relief	7,999,000.00	4,542,000
ESS support	161,700.00	-
Government grant summer camp	83,955.00	-
Nepal earthquake relief	-	3,029,000
Philippines disaster relief	525,000.00	-
	<u>8,769,655.00</u>	<u>7,571,000</u>
<u>Included in other income</u>		
Bank interest income	1,893.96	10,205
Dividend income	11,129.40	6,221
Foreign exchange gains, net	62,452.93	14,981
	<u>75,476.29</u>	<u>31,407</u>
Total	<u><u>17,865,651.46</u></u>	<u><u>12,487,111</u></u>

5. Expenses Funded by Government Grants

	2020	2019
	HKD	HKD
<u>Funded by government grants</u>		
Funded by China flood relief	7,999,560.00	4,541,949
Funded by Nepal earthquake relief	-	3,102,913
Philippines disaster relief	525,000.00	-
Refund of unused grant	78,682.81	-
	<u>8,603,242.81</u>	<u>7,644,862</u>

AMITY FOUNDATION, HONG KONG
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Surplus/ (Deficits) before Taxation

Surplus/ (deficits) before taxation is arrived at after charging the following items:

	2020 HKD	2019 HKD
Depreciation	39,194.00	39,194
Rent and rates	8,190.00	15,703
Staff costs (including director's remuneration in note 7)	1,312,870.51	1,781,570
Unrealised loss on investments	<u>91,259.08</u>	<u>9,216</u>

7. Directors' Remuneration

The directors received no remuneration for their services to the Foundation during the year (2019: Nil).

8. Taxation

No provision for Hong Kong profits tax has been made for the year as the Foundation is exempted from all Hong Kong tax under Section 88 of the Hong Kong Inland Revenue Ordinance.

9. Property, Plant and Equipment

	Leasehold land and building HKD	Computer and equipment HKD	Total HKD
<u>Cost</u>			
At 1 January 2020	<u>2,266,162.00</u>	<u>777,909.60</u>	<u>3,044,072.60</u>
At 31 December 2020	<u>2,266,162.00</u>	<u>777,909.60</u>	<u>3,044,072.60</u>
<u>Accumulated depreciation</u>			
At 1 January 2020	905,787.82	775,233.40	1,681,021.22
Depreciation for the year	<u>37,990.00</u>	<u>1,204.00</u>	<u>39,194.00</u>
At 31 December 2020	<u>943,777.82</u>	<u>776,437.40</u>	<u>1,720,215.22</u>
<u>Net carrying amount</u>			
At 31 December 2020	<u>1,322,384.18</u>	<u>1,472.20</u>	<u>1,323,856.38</u>
At 31 December 2019	<u>1,360,374.18</u>	<u>2,676.20</u>	<u>1,363,051.38</u> 0.077

AMITY FOUNDATION, HONG KONG
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. Current Investments

	2020	2019
	HKD	HKD
Listed securities, net realisable value	<u>251,254.45</u>	<u>342,514.00</u>

11. Share Capital

The Foundation is a company limited guarantee and does not have any share capital.

12. Changes in Equity

	2020	2019
	HKD	HKD
At 1 January	8,796,145.53	9,036,629
Surplus/ (Deficits) for the year	<u>696,508.48</u>	<u>(240,482)</u>
At 31 December	<u>9,492,654.01</u>	<u>8,796,147</u>

13. Related Party Transactions

The Foundation had the following significant transactions with its related companies for the year:

	2020	2019
	HKD	HKD
Donation received for specific projects from related companies	481,662.00	500,086
Funding for operating costs received from related company which has significant influence over the Company	1,000,000.00	1,000,000
Donation received from related company which has significant influence over the Company	146,758.47	-
Expenses paid to related company which has significant influence over the Company	<u>14,716,162.56</u>	<u>10,599,585</u>

Mr. So Shing Yit Eric, a director of the Foundation, controls both the Foundation and the related companies. The above transactions were carried out in the normal course of the Foundation's operation.

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**AMITY FOUNDATION, HONG KONG
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Comparative Figures

Certain comparative figures have been restated or re-classified to conform with current year's presentation.

15. Approval of Financial Statements

The financial statements were approved and authorized for issue by the Foundation's Directors on 28 June 2021.