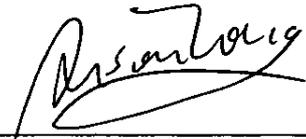


唐銘輝博士慈善基金有限公司  
ANSON TONG CHARITABLE FOUNDATION LIMITED  
(Incorporated in Hong Kong and limited by guarantee)  
  
REPORTS AND FINANCIAL STATEMENTS  
YEAR ENDED 31ST DECEMBER 2020

Certified True Copy



Tong Ming Fai 唐銘輝  
Director



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唐銘輝博士慈善基金有限公司  
ANSON TONG CHARITABLE FOUNDATION LIMITED  
YEAR ENDED 31ST DECEMBER 2020

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唐銘輝博士慈善基金有限公司  
ANSON TONG CHARITABLE FOUNDATION LIMITED

REPORT OF THE DIRECTORS

The directors present herewith their report and the financial statements for the year ended 31st December 2020.

1. FINANCIAL STATEMENTS

The results for the year are set out in the Statement of Comprehensive Income on page 6.

The state of affairs of the Company as at 31st December 2020 is set out in the Statement of Financial Position on page 7.

The changes in Company's funds for the year are set out in the Statement of Changes in Accumulated Funds on page 8.

The cash flows for the year are set out in the Statement of Cash Flows on pages 9 and 10.

2. PRINCIPAL ACTIVITY

The Company was set up for general charitable purposes.

3. DONATIONS

Charitable donations made by the Company during the year amounted to HK\$4,500.

4. DIRECTORS

The directors who held office during the year and up to date of this report were:-

Tong Ming Fai  
Tong Wai Po  
Lee Kit Yi

All directors retire in accordance with Article 20 and 21 of the Company's Articles of Association and, being eligible, offer themselves for re-election.

5. PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the directors of the Company is currently in force and was in force throughout this year, as Articles refers.

6. MANAGEMENT CONTRACTS

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

7. BUSINESS REVIEW

The Company is exempted from preparing a business review in accordance with Section 388(3)(a) of the Hong Kong Companies Ordinance.

唐銘輝博士慈善基金有限公司  
ANSON TONG CHARITABLE FOUNDATION LIMITED

REPORT OF THE DIRECTORS

8. DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts of significance in relation to the Company's business to which the Company was a party, and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

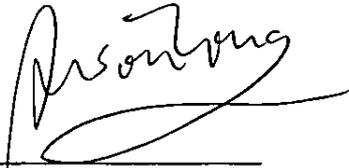
9. DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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 acquisition of shares in or debentures of any other body corporate.

10. AUDITORS

Sammy Chan & Co. retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Tong Ming Fai  
Chairman

Date : 3rd September 2021



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ANSON TONG CHARITABLE FOUNDATION LIMITED  
(Incorporated in Hong Kong and limited by guarantee)

**Opinion**

1. We have audited the financial statements of Anson Tong Charitable Foundation Limited ("the Company") set out on pages 6 to 16, which comprise the Statement of Financial Position as at 31st December 2020, the Statement of Comprehensive Income, Statement of Changes in Accumulated Funds and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
2. In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st 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**

3. We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with 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**

4. The directors are responsible for the other information. The other information comprises the information included in the Report of the Directors, but does not include the financial statements and our auditors' report thereon.
5. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
6. 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.
7. 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**

8. 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.



**INDEPENDENT AUDITORS' REPORT (CONT'D)**

**TO THE MEMBERS OF ANSON TONG CHARITABLE FOUNDATION LIMITED**  
(Incorporated in Hong Kong and limited by guarantee)

**Responsibilities of Directors and Those Charged with Governance for the Financial Statements (Cont'd)**

9. 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.
10. Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditors' Responsibilities for the Audit of the Financial Statements**

11. 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 auditors' report that includes our opinion. We 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. 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.
12. As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - (a) 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.
  - (b) 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.
  - (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
  - (d) 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF ANSON TONG CHARITABLE FOUNDATION LIMITED  
(Incorporated in Hong Kong and limited by guarantee)

**Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)**

12. As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also: (Cont'd)
  - (e) 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.
13. 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.

Certified Public Accountants (Practising)  
Hong Kong, 3rd September 2021

唐銘輝博士慈善基金有限公司  
ANSON TONG CHARITABLE FOUNDATION LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
YEAR ENDED 31ST DECEMBER 2020

	Note	<u>2020</u> HK\$	<u>2019</u> HK\$
REVENUE	5	10,000	4,500
CHARITABLE DONATIONS		<u>(4,500)</u>	<u>(6,935)</u>
GROSS SURPLUS / (DEFICIT)		5,500	(2,435)
OTHER INCOME	6	0	33
ADMINISTRATIVE EXPENSES		(13,350)	(11,600)
OTHER OPERATING EXPENSES		<u>(600)</u>	<u>(1,200)</u>
DEFICIT AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR	7	<u><u>(8,450)</u></u>	<u><u>(15,202)</u></u>

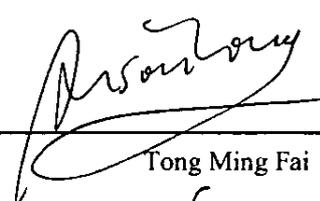
The notes on pages 11 to 16 form an integral part of these financial statements.  
Independent Auditors' Report - Pages 3 to 5

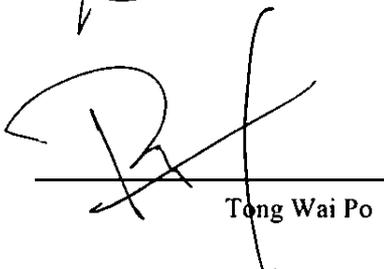
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唐銘輝博士慈善基金有限公司  
ANSON TONG CHARITABLE FOUNDATION LIMITED  
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2020

	Note	<u>2020</u> HK\$	<u>2019</u> HK\$
<b>CURRENT ASSET</b>			
Cash at Bank		53,064	61,214
<b>CURRENT LIABILITIES</b>			
Due to a Director	10	10,820	10,820
Accrued Charges		8,100	7,800
		18,920	18,620
<b>NET ASSETS</b>		34,144	42,594
<b>ACCUMULATED SURPLUS</b>		34,144	42,594

Approved by the Board of Directors on 3rd September 2021  
On behalf of the Board

  
 \_\_\_\_\_  
 Tong Ming Fai ) Directors

  
 \_\_\_\_\_  
 Tong Wai Po

The notes on pages 11 to 16 form an integral part of these financial statements.  
Independent Auditors' Report - Pages 3 to 5

唐銘輝博士慈善基金有限公司  
 ANSON TONG CHARITABLE FOUNDATION LIMITED  
 STATEMENT OF CHANGES IN ACCUMULATED FUNDS  
 YEAR ENDED 31ST DECEMBER 2020

	Accumulated <u>Surplus</u> HK\$
Balance as at 1st January 2019	57,796
Total Comprehensive Loss for the Year	<u>(15,202)</u>
Balance as at 31st December 2019 and 1st January 2020	42,594
Total Comprehensive Loss for the Year	<u>(8,450)</u>
Balance as at 31st December 2020	<u><u>34,144</u></u>

The notes on pages 11 to 16 form an integral part of these financial statements.  
 Independent Auditors' Report - Pages 3 to 5

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唐銘輝博士慈善基金有限公司  
ANSON TONG CHARITABLE FOUNDATION LIMITED  
STATEMENT OF CASH FLOWS  
YEAR ENDED 31ST DECEMBER 2020

	Note	<u>2020</u> HK\$	<u>2019</u> HK\$
NET CASH OUTFLOW FROM OPERATING ACTIVITIES			
Cash Used in Operations	(a)	(8,150)	(6,615)
NET CASH INFLOW FROM INVESTING ACTIVITY			
Interest Received		<u>0</u>	<u>33</u>
NET DECREASE IN CASH AT BANK		(8,150)	(6,582)
CASH AT BANK AT THE BEGINNING OF THE YEAR		<u>61,214</u>	<u>67,796</u>
CASH AT BANK AT THE END OF THE YEAR		<u><u>53,064</u></u>	<u><u>61,214</u></u>

The notes on pages 11 to 16 form an integral part of these financial statements.  
Independent Auditors' Report - Pages 3 to 5

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唐銘輝博士慈善基金有限公司  
ANSON TONG CHARITABLE FOUNDATION LIMITED  
STATEMENT OF CASH FLOWS  
YEAR ENDED 31ST DECEMBER 2020

NOTE TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Deficit for the Year to Net Cash Used in Operations :-

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Deficit for the Year	(8,450)	(15,202)
Adjustment for :		
- Interest Income	<u>0</u>	<u>(33)</u>
Operating Deficit before Working Capital Changes	(8,450)	(15,235)
Increase in Amount due to a Director	0	7,820
Increase in Accrued Charges	<u>300</u>	<u>800</u>
Net Cash Used in Operations	<u><u>(8,150)</u></u>	<u><u>(6,615)</u></u>

唐銘輝博士慈善基金有限公司  
ANSON TONG CHARITABLE FOUNDATION LIMITED  
NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2020

1. GENERAL

Anson Tong Charitable Foundation Limited (“the Company”) was set up for general charitable purposes.

The Company is a limited by guarantee company incorporated in Hong Kong. The address of its registered office is Room 801, 8/F., Celebrity Commercial Centre, 64 Castle Peak Road, Sham Shui Po, Kowloon, Hong Kong.

2. STATEMENT OF COMPLIANCE WITH HONG KONG FINANCIAL REPORTING STANDARDS

The Company’s financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong, and the requirements of the Hong Kong Companies Ordinance. A summary of significant accounting policies is set out in Note 4.

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

(a) New and Revised Standards and Interpretation Issued and Effective for the Year

The following new and revised Standards and Interpretation have been issued and effective for the current financial year of the Company:

<u>Standards or Interpretation</u>	<u>Effective for annual periods commencing on or after</u>
Amendments to HKFRS 3 - Definition of a business	1st January 2020
Amendments to HKFRS 9, HKAS 39 and HKFRS 7 - Amendments for interest rate benchmark reform	1st January 2020
Amendments to HKAS 1 and HKAS 8 - Definition of material	1st January 2020
Revised conceptual framework for financial reporting	1st January 2020

The application of these new and revised Standards and Interpretation has not had material impact on the amounts reported and / or disclosures set out in the financial statements for the current year.

(b) New and Revised Standards and Interpretation in Issue But Not Yet Effective

<u>Standards or Interpretation</u>	<u>Effective for annual periods commencing on or after</u>
Amendment to HKFRS 16 - Covid 19 - Related rent concessions	1st June 2020
Amendments to HKAS 39, HKFRS 4, 7, 9 and 16 - Interest rate benchmark reform - Phase 2	1st January 2021
Amendments to HKFRS 3 - Reference to the conceptual framework	1st January 2022
Amendments to HKAS 16 - Property, plant and equipment - proceeds before intended use	1st January 2022
Amendments to HKAS 37 - Onerous contracts - cost of fulfilling a contract	1st January 2022

唐銘輝博士慈善基金有限公司  
ANSON TONG CHARITABLE FOUNDATION LIMITED  
NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2020

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (HKFRSs) (CONT'D)

(b) New and Revised Standards and Interpretation in Issue But Not Yet Effective (Cont'd)

<u>Standards or Interpretation</u>	<u>Effective for annual periods commencing on or after</u>
Amendments to HKFRSs - Annual improvements to HKFRSs 2018-2020	1st January 2022
AG5 - Merger accounting for common control combinations	1st January 2022
HKFRS 17 - Insurance contracts	1st January 2023
Amendments to HKFRS 17 - Insurance contracts	1st January 2023
Amendments to HKAS 1 - Classification of liabilities as current or non-current	1st January 2023
HK Interpretation 5 (2020) Presentation of financial statements - Classification by the borrower of a term loan that contains a repayment on demand clause	1st January 2023
Amendments to HKFRS 10 and HKAS 28 - Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Company has not early adopted the above new and revised Standards and Interpretation and is not in a position to state whether substantial changes to the Company's accounting policies and presentation of financial statements will result.

4. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of Preparation of Financial Statements

Measurement Basis

The measurement basis used in preparing the financial statements is historical cost.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(b) Impairment of Financial Assets

The Company recognises loss allowances for expected credit loss on the financial instruments that are not measured at fair value through profit or loss. The Company considers the probability of default upon initial recognition of financial assets and assesses whether there has been a significant increase in credit risk on an ongoing basis.

4. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(b) Impairment of Financial Assets (Cont'd)

The Company considers the credit risk on a financial instrument is low if the financial instrument has a low risk of default, the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations.

The carrying amount of the receivables is reduced through the use of the receivable impairment charges account. Changes in the carrying amount of the receivable impairment charges account are recognised in profit or loss. The receivable is written off against the receivable impairment charges account when the Company has no reasonable expectations of recovering the receivable.

If, in a subsequent period, the amount of expected credit losses decreases, the reversal would be adjusted to the receivable impairment charges account at the reporting date. The amount of any reversal is recognised in profit or loss.

(c) Related Parties

(I) 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 a significant influence over the Company; or
- (iii) is a member of key management personnel of the Company or of a parent of the Company.

(II) 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 ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of the employees of either the Company or an entity related to the Company;
- (vi) The entity is controlled or jointly controlled by a person identified in (I); and
- (vii) A person identified in (I)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

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

唐銘輝博士慈善基金有限公司  
ANSON TONG CHARITABLE FOUNDATION LIMITED  
NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2020

4. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(d) Revenue and Other Income Recognition

The Company recognises revenue from contracts with customers when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Company recognises as revenue the amount of the transaction price (which excludes estimates of variable consideration that are constrained in accordance with HKFRS 15) that is allocated to that performance obligation. Further details of the Company's revenue and other income recognition policies are as follows:-

- (i) donations received - are recognised on an accrual basis when receipt thereof is certain; and
- (ii) interest income - using effective interest method.

5. REVENUE

Revenue represents the donations received.

6. OTHER INCOME

	<u>2020</u> HK\$	<u>2019</u> HK\$
Interest income	<u>0</u>	<u>33</u>

7. DEFICIT FOR THE YEAR

	<u>2020</u> HK\$	<u>2019</u> HK\$
Deficit for the year is arrived at:		
After charging the following items:		
Auditors' remuneration		
- Current year	7,500	7,200
- Underprovision in previous year	<u>100</u>	<u>200</u>
	7,600	7,400
Charitable donations	4,500	6,935

8. TAXATION

No provision for Hong Kong Profits Tax has been made in the financial statements as the Company has been approved by the Hong Kong Inland Revenue Department to be exempted under Section 88 of the Hong Kong Inland Revenue Ordinance from any Hong Kong tax liability by reason of being a charitable organisation of a public character.

9. DIRECTORS' REMUNERATION AND OTHER MATTERS RELATING TO DIRECTORS

- (a) During the years ended 31st December 2020 and 2019, no amount has been paid in respect of directors' emolument, directors' or past directors' pensions or for any compensation to directors or past directors in respect of loss of office.
- (b) No loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate and other connected entities were occurred during the year and the previous year.

唐銘輝博士慈善基金有限公司  
ANSON TONG CHARITABLE FOUNDATION LIMITED  
NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2020

9. DIRECTORS' REMUNERATION AND OTHER MATTERS RELATING TO DIRECTORS (CONT'D)

(c) Directors' material interests in transactions, arrangements or contracts

The directors were of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year and the previous year.

(d) Guarantees to banks for loans granted to directors of the Company

The Company had not paid or incurred any liability for the purpose of fulfilling the guarantee or discharging the security given to banks for loans granted to the directors during the year and the previous year.

(e) There were no consideration provided to or receivable by third parties for making available the services of a person as director or in any other capacity while director.

10. DUE TO A DIRECTOR

The amount due to a director is unsecured, interest free and with no fixed term of repayment.

11. GUARANTEES BY MEMBERS

Every member of the Company undertakes to contribute not more than HK\$100 to the assets of the Company, in the event of the same being wound up during the time that he is a member, or within one year after he ceased to be a member, for payment of the debts and liabilities of the Company.

12. FINANCIAL RISK MANAGEMENT

The Company has classified its financial assets in the following category:

	<u>2020</u> HK\$	<u>2019</u> HK\$
<u>Financial assets at amortised cost:</u>		
Cash at bank	<u>53,064</u>	<u>61,214</u>

The Company has classified its financial liabilities in the following category:

	<u>2020</u> HK\$	<u>2019</u> HK\$
<u>Financial liabilities at amortised cost:</u>		
Due to a director (Note 10)	10,820	10,820
Accrued charges	<u>8,100</u>	<u>7,800</u>
	<u>18,920</u>	<u>18,620</u>

All financial instruments are carried at amounts not materially different from their fair values as at 31st December 2020 and 2019.

唐銘輝博士慈善基金有限公司  
ANSON TONG CHARITABLE FOUNDATION LIMITED  
NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2020

12. FINANCIAL RISK MANAGEMENT (CONT'D)

The Company is exposed to credit risk, liquidity risk and market risk arising in the normal course of its business and financial instruments. The Company's risk management objectives, policies and processes mainly focus on minimizing the potential adverse effects of these risks on its financial performance and position by closely monitoring the individual exposure.

(a) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

At 31st December 2020, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties is arising from the carrying amount of respective recognised financial assets as stated in the Statement of Financial Position.

The credit risk on bank balance is limited because the counterparty is the bank with high credit rating assigned by international credit-rating agencies. Other than concentration of credit risk on bank balance which is deposited with the bank with high credit rating, the Company does not have any other significant concentration of credit risk.

(b) Liquidity Risk

The Company is exposed to liquidity risk on financial liabilities. It manages its funds conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational need.

All the Company's financial liabilities are repayable on demand. In the opinion of the directors of the Company, the preparation of maturity profile is not necessary.

(c) Market Risk

(i) Interest Rate Risk

The Company has no interest bearing liabilities. The Company's exposure to changes in interest rates relates to cash at bank and the Company's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact resulted from the changes in interest rates.

(ii) Currency Risk

The Company is not exposed to currency risk as its assets and liabilities are denominated in Hong Kong dollar.