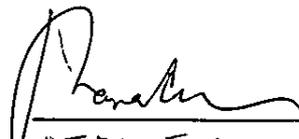


ASIA DIABETES FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

CERTIFIED TRUE COPY



DIRECTOR

鄭楊會計師事務所
CHENG, YEUNG & CO.
CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)
HONG KONG



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ASIA DIABETES FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE
WITHOUT A SHARE CAPITAL)

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(EXPRESSED IN HONG KONG DOLLARS)

ASIA DIABETES FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)
REPORT OF THE EXECUTIVE COUNCIL FOR 2020

The Executive Council submits herewith their annual report together with the Foundation's audited financial statements for the year ended 31st December 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Foundation are to carry out the activities, with the objective to produce and achieve positive impact in the better understanding, education, diagnosis, evaluation, treatment, alleviation and care of diabetes as a disease.

FINANCIAL PERFORMANCE

The financial performance of the Foundation during the year ended 31st December 2020, the financial position of the Foundation as at that date and the changes in reserve funds are set out in the financial statements on pages 6 to 8. The cash flows of the Foundation for the year ended 31st December 2020 are set out in the Statement of Cash Flows on page 9.

PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment during the year are set out in Note 12 to the financial statements.

EXECUTIVE COUNCILLORS

The Executive Councillors who held office during the year and up to the date of this report were as follows: -

Chan Chung Ngor Juliana

Chan Ka Leung

Fok Tai Fai

(resigned on 1st August 2021)

Fung Hong

Luk King Kwong

Ling Ho Wan Howard

Wu Che Yuen Justin

(appointed on 1st August 2021)

All the existing Executive Councillors shall retire from office in accordance with Article 37 of the Foundation's Article of Association, but being eligible, offer themselves for re-election.

PERMITTED INDEMNITY PROVISIONS

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more Executive Councillors of 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 Executive Councillors of the Foundation.

MANAGEMENT CONTRACTS

No 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.

INTERESTS OF EXECUTIVE COUNCILLORS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save as disclosed in Note 10 to the financial statements, all Executive Councillors declared to the Executive Council that there were no other transactions, arrangements and contracts of significance in relation to the Foundation's activities to which the Foundation was a party and in which an Executive Councillor had a material interest, directly or indirectly, subsisted at the end of the year or any time during the year.

(to be cont'd)

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ASIA DIABETES FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)
REPORT OF THE EXECUTIVE COUNCIL FOR 2020

EXECUTIVE COUNCILLORS' RIGHTS TO ACQUIRE DEBENTURES

At no time during the year was the Foundation, a party to any arrangements to enable the Executive Councillors to acquire benefits by means of the acquisition of debentures of the Foundation or any other body corporate.

AUDITORS

The Auditors, Messrs. Cheng, Yeung & Co., Certified Public Accountants (Practising), retire but, being eligible, offer themselves for re-appointment.

FOR AND ON BEHALF OF THE EXECUTIVE COUNCIL



Chan Chung Ngor Juliana
Chief Executive Officer

Hong Kong, 31st August 2021

**INDEPENDENT AUDITORS' REPORT
TO THE SOLE MEMBER OF ASIA DIABETES FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)
(INCORPORATED IN HONG KONG WITH LIMITED LIABILITY)**

OPINION

We have audited the financial statements of Asia Diabetes Foundation Limited ("the Foundation") set out on pages 6 to 19, which comprise the Statement of Financial Position as at 31st December 2020, and the Income Statement, Statement of Changes in Reserve Funds and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of a significant accounting policies.

In our 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

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") and with reference to Practice Note 900 (Revised) *Audit of Financial Statements Prepared in Accordance with the Small and Medium-Sized Entity Financial Reporting Standard* issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), and we have fulfilled our other 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 Members of the Executive Council are responsible for the other information. The other information obtained at the date of this auditors' report is information included in the report of the Executive Council set out on pages 1 and 2, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will 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 on the other information obtained prior to the date of this auditor's report, 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.

(to be cont'd)

**INDEPENDENT AUDITORS' REPORT
TO THE SOLE MEMBER OF ASIA DIABETES FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)
(INCORPORATED IN HONG KONG WITH LIMITED LIABILITY)**

RESPONSIBILITIES OF EXECUTIVE COUNCILLORS AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Members of the Executive Council 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 Members of the Executive Council 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 Members of the Executive Council 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 Members of the Executive Council either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 Members of the Executive Council.

(to be cont'd)

**INDEPENDENT AUDITORS' REPORT
TO THE SOLE MEMBER OF ASIA DIABETES FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)
(INCORPORATED IN HONG KONG WITH LIMITED LIABILITY)**

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS
(CONTINUED)**

- Conclude on the appropriateness of the Members of the Executive Council's 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 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 Foundation to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



CHENG, YEUNG & CO.
Certified Public Accountants (Practising)
Hong Kong, 31st August 2021

CYA014/PC/tl/hw

ASIA DIABETES FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)
INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2020

	<u>Notes</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
INCOME			
Bank interest	5	7.54	2,769.78
Conference registration and visit fee	5	52,260.00	46,478.47
Donations	5	201,500.00	1,801.00
Government grant	5 & 9	303,122.00	3,076,969.00
Other income	5	-	951.36
Sponsorship	5 & 8	1,646,886.00	2,631,881.96
		2,203,775.54	5,760,851.57
ADMINISTRATION EXPENSES			
Accounting fee		100,000.00	100,000.00
Office equipment, repairs and maintenance		29,367.38	32,588.68
Office expenditures		250,560.90	446,811.09
Staff salaries, MPF and benefits		509,937.11	661,258.92
		(889,865.39)	(1,240,658.69)
PROJECT EXPENSES			
Other expenditures		35,952.50	1,158,984.29
Portal management fee		1,317,630.82	1,161,789.40
Sponsorship to site's investigator for project management		-	314,474.45
Staff salaries, MPF and benefits		833,463.61	1,151,648.50
	6	(2,187,046.93)	(3,786,896.64)
RESEARCH AND DATA ANALYSIS			
Staff salaries, MPF and benefits		(62,340.60)	(299,300.40)
PROFESSIONALS EDUCATION AND CONFERENCES			
Expenditure of Regional Forum	7	(88,696.20)	(238,353.40)
		-----	-----
(DEFICIT)/SURPLUS FOR THE YEAR		\$ (1,024,173.58)	\$ 195,642.44

The notes on pages 10 to 19 form an integral part of these financial statements.

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ASIA DIABETES FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2020

	<u>Notes</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	12	15,286.56	30,220.64
CURRENT ASSETS			
Deposits paid		25,100.00	50,188.00
Prepayments		5,225.81	30,740.50
Cash at bank		295,670.74	1,205,107.69
Cash in hand		2,073.02	8,273.19
		328,069.57	1,294,309.38
Deduct :-			
CURRENT LIABILITIES			
Temporary receipt		100,000.00	-
Accrued expenses		109,650.75	166,651.06
		209,650.75	166,651.06
NET CURRENT ASSETS		118,418.82	1,127,658.32
NET ASSETS		\$ 133,705.38	\$ 1,157,878.96
Representing :-			
ACCUMULATED RESERVE FUNDS			
Events reserve fund		2,339,771.72	1,704,202.92
Project reserve fund		10,351,675.93	11,563,834.55
General reserve fund		(12,557,742.27)	(12,110,158.51)
TOTAL RESERVE FUNDS		\$ 133,705.38	\$ 1,157,878.96

THE FINANCIAL STATEMENTS SET OUT ON PAGES 6 TO 19 WERE APPROVED AND AUTHORISED FOR ISSUE BY THE EXECUTIVE COUNCIL ON 31ST AUGUST 2021.


 Chan Chung Ngor Juliana
 Executive Councillor


 Wu Che Yuen Justin
 Executive Councillor

The notes on pages 10 to 19 form an integral part of these financial statements.

ASIA DIABETES FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)
STATEMENT OF CHANGES IN RESERVE FUNDS
YEAR ENDED 31ST DECEMBER 2020

	<u>EVENTS</u> <u>RESERVE FUND</u> HK\$	<u>PROJECT</u> <u>RESERVE FUND</u> HK\$	<u>GENERAL</u> <u>RESERVE FUND</u> HK\$	<u>TOTAL</u> <u>RESERVE FUNDS</u> HK\$
Balances as at 31st December 2018	1,333,525.95	10,201,662.35	(10,572,951.78)	962,236.52
Income for the year	609,030.37	5,149,068.84	2,752.36	5,760,851.57
Expenditure for the year	(238,353.40)	(3,786,896.64)	(1,539,959.09)	(5,565,209.13)
Surplus/(Deficit) for the year	370,676.97	1,362,172.20	(1,537,206.73)	195,642.44
Balances as at 31st December 2019	1,704,202.92	11,563,834.55	(12,110,158.51)	1,157,878.96
Income for the year	724,265.00	974,888.31	504,622.23	2,203,775.54
Expenditure for the year	(88,696.20)	(2,187,046.93)	(952,205.99)	(3,227,949.12)
Surplus/(Deficit) for the year	635,568.80	(1,212,158.62)	(447,583.76)	(1,024,173.58)
Balances as at 31st December 2020	<u>\$ 2,339,771.72</u>	<u>\$ 10,351,675.93</u>	<u>\$ (12,557,742.27)</u>	<u>\$ 133,705.38</u>

The notes on pages 10 to 19 form an integral part of these financial statements.

ASIA DIABETES FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)
STATEMENT OF CASH FLOWS
YEAR ENDED 31ST DECEMBER 2020

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/Surplus for the year	(1,024,173.58)	195,642.44
Adjustments:-		
Bank interest income	(7.54)	(2,769.78)
Bank interest expenses	11.19	-
Depreciation	15,664.08	15,518.08
OPERATING CASH (OUTFLOW)/INFLOW BEFORE WORKING CAPITAL CHANGES	(1,008,505.85)	208,390.74
Decrease in deposits paid	25,088.00	-
Decrease in prepayments	25,514.69	32,149.92
Increase in temporary receipt	100,000.00	-
Decrease in accrued expenses	(57,000.31)	(104,027.54)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(914,903.47)	136,513.12
CASH FLOWS FROM INVESTING ACTIVITIES		
Net interest (paid)/received	(3.65)	2,769.78
Purchase of property, plant and equipment	(730.00)	(15,428.00)
NET CASH USED IN INVESTING ACTIVITIES	(733.65)	(12,658.22)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(915,637.12)	123,854.90
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	1,213,380.88	1,089,525.98
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	\$ 297,743.76	\$ 1,213,380.88
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at bank	295,670.74	1,205,107.69
Cash in hand	2,073.02	8,273.19
	\$ 297,743.76	\$ 1,213,380.88

The notes on pages 10 to 19 form an integral part of these financial statements.

ASIA DIABETES FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)
NOTES TO THE FINANCIAL STATEMENTS
31ST DECEMBER 2020

1. FOUNDATION'S STATUS AND PRINCIPAL ACTIVITIES

Asia Diabetes Foundation Limited (the Foundation) is a body corporate limited by guarantee without a share capital, established under the Hong Kong Companies Ordinance for the purpose of implementing scientific and academic activities to achieve positive impact in the better care of diabetes and other chronic diseases.

Every member of the Foundation undertakes to contribute an amount not exceeding HK\$100 to the assets of the Foundation in the event of its being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the Foundation contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

If upon the winding up or dissolution of the Foundation there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members of the Foundation; but shall be given or transferred to some other institution or institutions, having objects similar to the objects of the Foundation, and which shall prohibit the distribution of its or their income and property amongst its or their member to an extent at least as great as is imposed on the Foundation, such institution or institutions to be determined by the Members of the Foundation at or before the time of dissolution and in default thereof by a Judge of the High Court of the Hong Kong Special Administrative Region having jurisdiction in regard to charitable funds and, if this provision cannot be effected, then to some charitable objects.

2. BASIS OF PREPARATION

As the Foundation is a wholly owned subsidiary of another body corporate, it satisfies the exemption criteria set out in section 379(3)(a) of the Hong Kong Companies Ordinance (Cap.622), and is therefore not required to prepare consolidated financial statements

In previous years, the Foundation prepared financial statements in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which term collectively includes Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong.

Under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap.622), the Foundation qualifies for the reporting exemption as a private company and is therefore entitled to prepare and present its annual 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 ("HKICPA"). This is the first year that the Foundation takes advantage of the reporting exemption and adopts SME-FRS in its financial statements. Accordingly, these financial statements have been prepared in accordance with SME-FRS and the requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Foundation is set out below. The measurement basis used in the preparation of the financial statements is the historical cost basis. The financial statements have been prepared under the accrual basis of accounting and on the basis that the Foundation is a going concern.

ASIA DIABETES FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)
NOTES TO THE FINANCIAL STATEMENTS
31ST DECEMBER 2020

2. BASIS OF PREPARATION (CONTINUED)

The transition from HKFRSs to SME-FRS has been accounted for retrospectively as if SME-FRS had always been adopted. The adoption of SME-FRS does not have an impact on these financial statements except for presentation and disclosure of information.

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 consists of turnover and other revenue but excludes the reversal of impairment and of provisions. Turnover comprises revenue generated from the principal activities of the Foundation. Other revenue represented insurance claims received and receivable during the year.

(i) Revenue from the donations, sponsorship, reimbursement and conference registration and visit fee are recognised upon receipt except for those income which are accounted for when the right to receive those income is established; and

(ii) Revenue from bank interest income is recognised on a time proportion basis.

(b) Foreign currency translation

The reporting currency of the Foundation is Hong Kong Dollars, which is the currency of the primary economic environment in which each of these entities operates.

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

(c) Employee benefits

Retirement benefits cost

The Foundation contributes to a defined contribution retirement scheme(s) including the scheme set up pursuant to the Hong Kong Mandatory Provident Fund Schemes Ordinance (the MPF Scheme) for all qualifying employees. Contributions to the scheme(s) by the Foundation and employees are calculated, as a percentage of employees' basis salaries and the Foundation's contributions are expenditure as incurred. The retirement benefit scheme costs charged to the Income Statement represent contributions payable by the Foundation to the fund. The Foundation's employer contributions vest fully with the employees when contributed into the MPF scheme. The assets of the MPF Scheme are held separately from those of the Foundation in an independently administered fund.

(d) Taxation

No provision for taxation has been made in the financial statements as the Foundation is exempted from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance.

ASIA DIABETES FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)
NOTES TO THE FINANCIAL STATEMENTS
31ST DECEMBER 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment

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

The depreciation amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful lives using the straight-line method, at the following annual rates: -

Furniture and fixtures	-	20%
Office equipment	-	20%

(f) Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. 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) Leases

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

(h) Provision

Provision has been made for all present legal and constructive obligations as a result of past events that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(i) Cash and cash equivalents

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

ASIA DIABETES FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)
NOTES TO THE FINANCIAL STATEMENTS
31ST DECEMBER 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Related parties

A related party is a person or entity that is related to the Foundation in these financial statement, as follows: -

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

(i) has control or joint control over the Foundation;

(ii) has significant influence over the Foundation; or

(iii) is a member of the key management personnel of the Foundation or the Foundation's parent.

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

(i) 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).

(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 which the other entity is a member).

(iii) Both entities are joint ventures of the same third entity.

(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 employees of either the Foundation or an entity related to the Foundation.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified (a)(i) 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 member of the family of a person are those family members who may be expected to influence, or be influence by, that person in their dealings with the entity.

ASIA DIABETES FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)
NOTES TO THE FINANCIAL STATEMENTS
31ST DECEMBER 2020

5. INCOME

	<u>Notes</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
BANK INTEREST INCOME			
- Administration		0.23	-
- Projects	6	7.31	2,769.78
		----- \$ 7.54	----- \$ 2,769.78
CONFERENCE REGISTRATION AND VISIT FEE			
- Professionals education and conferences	7	\$ 52,260.00	\$ 46,478.47
		-----	-----
DONATIONS			
- Administration		\$ 201,500.00	\$ 1,801.00
		-----	-----
OTHER INCOME			
- Administration		\$ -	\$ 951.36
		-----	-----
SPONSORSHIP			
- Projects	6	974,881.00	2,069,330.06
- Professionals education and conferences	7	672,005.00	562,551.90
	8	\$ 1,646,886.00	\$ 2,631,881.96
		-----	-----
GOVERNMENT GRANT			
- Administration	9	303,122.00	-
- Projects	6 & 9	-	3,076,969.00
		-----	-----
		\$ 303,122.00	\$ 3,076,969.00
		-----	-----
TOTAL INCOME		\$ 2,203,775.54	\$ 5,760,851.57
		-----	-----

ASIA DIABETES FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)
NOTES TO THE FINANCIAL STATEMENTS
31ST DECEMBER 2020

6. PROJECTS

	<u>Note</u>	<u>JADE</u> HK\$	<u>RUBY</u> HK\$	<u>DKD-TMT</u> HK\$	<u>SHEALF 3</u> HK\$	2020 <u>Total</u> HK\$	2019 <u>Total</u> HK\$
INCOME							
Sponsorship	5	974,881.00	-	-	-	974,881.00	2,069,330.06
Government grant	5 & 9	-	-	-	-	-	3,076,969.00
Bank interest	5	-	-	-	7.31	7.31	2,769.78
		974,881.00	-	-	7.31	974,888.31	5,149,068.84
EXPENDITURE							
Portal management fee		250,341.82	2,076.40	1,212.60	1,064,000.00	1,317,630.82	1,161,789.40
Sponsorship to site's investigator for project management		-	-	-	-	-	314,474.45
Staff salaries, MPF and benefits		346,251.31	-	-	487,212.30	833,463.61	1,151,648.50
Other expenditures		34,822.50	-	-	1,130.00	35,952.50	1,158,984.29
		(631,415.63)	(2,076.40)	(1,212.60)	(1,552,342.30)	(2,187,046.93)	(3,786,896.64)
SURPLUS/(DEFICIT) TO BE TRANSFERRED TO PROJECT RESERVE FUND							
		\$ 343,465.37	\$ (2,076.40)	\$ (1,212.60)	\$ (1,552,334.99)	\$ (1,212,158.62)	\$ 1,362,172.20

ASIA DIABETES FOUNDATION LIMITED
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7. PROFESSIONALS EDUCATION AND CONFERENCES

	<u>Note</u>	<u>Diabetes Preventing the Preventables (DPP) Forum</u> HK\$	<u>Prevent the Preventables Campaign</u> HK\$	<u>2020</u> <u>Total</u> HK\$	<u>2019</u> <u>Total</u> HK\$
INCOME					
Sponsorship	5	507,005.00	165,000.00	672,005.00	562,551.90
Conference registration and visit fee	5	52,260.00	-	52,260.00	46,478.47
		559,265.00	165,000.00	724,265.00	609,030.37
EXPENDITURE					
Expenditure of Regional Forum		(23,835.00)	(64,861.20)	(88,696.20)	(238,353.40)
SURPLUS TO BE TRANSFERRED TO EVENTS RESERVE FUND					
		\$ 535,430.00	\$ 100,138.80	\$ 635,568.80	\$ 370,676.97

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8. SPONSORSHIP

<u>Names of Sponsors</u>	<u>2020</u> HK\$
Abbott Laboratories Limited	164,200.00
Ascensia Diabetes Care Hong Kong	15,600.00
AstraZeneca Hong Kong Limited	15,500.00
AXA China Region Insurance Company Limited	55,000.00
Boehringer Ingelheim (Hong Kong) Limited	15,600.00
Eli Lilly Asia Inc.	70,200.00
Fresenius Kabi Hong Kong Limited	23,400.00
GemVCare Limited	227,449.00
Global Clinic	25,200.00
Merck Pharmaceutical (Hong Kong) Limited	31,200.00
Merck Pte Ltd.	759,000.00
Merck Sharp & Dohme (Asia) Limited	54,600.00
Novartis Pharmaceuticals (Hong Kong) Limited	31,400.00
Novo Nordisk Hong Kong Limited	15,505.00
Qualigenics Medical Limited	1,528.00
Sanofi Hong Kong Limited	124,800.00
Yao Chung Kit Diabetes Assessment Centre	16,704.00
	\$ 1,646,886.00

9. GOVERNMENT GRANT

	<u>2020</u> HK\$	<u>2019</u> HK\$
Project		
Innovation and Technology Fund for Better Living - SHEALF3-APP		
- 2nd payment	-	2,281,758.00
- 3rd payment	-	795,211.00
Administration		
Wage Subsidy under Employment Support Scheme	303,122.00	-
	\$ 303,122.00	\$ 3,076,969.00

10. RELATED PARTY TRANSACTIONS

During the current year, the Foundation had the following material transactions with its related parties in the normal course of operation: -

<u>Related Parties</u>	<u>Nature of Transactions</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
Chan Chung Ngor Juliana	Donation income	200,000.00	-
The Chinese University of Hong Kong	Project management expenses	\$ -	\$ 928,851.00

ASIA DIABETES FOUNDATION LIMITED
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11. EXECUTIVE COUNCILLORS' REMUNERATION

The Executive Councillors' remuneration disclosed pursuant to Section 383(1) to the Hong Kong Companies Ordinance (Cap. 622) is as follows: -

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Executive Councillors' fee	-	-
Salaries, allowances and benefits in kind	-	-
Consultancy fees	-	-
	<u>\$ -</u>	<u>\$ -</u>

12. PROPERTY, PLANT AND EQUIPMENT

	FURNITURE AND FIXTURES HK\$	OFFICE EQUIPMENT HK\$	TOTAL HK\$
COST			
Balances as at 31/12/2018	50,730.40	199,887.00	250,617.40
Additions during the year	-	15,428.00	15,428.00
	-----	-----	-----
Balances as at 31/12/2019	50,730.40	215,315.00	266,045.40
Additions during the year	-	730.00	730.00
	-----	-----	-----
Balances as at 31/12/2020	50,730.40	216,045.00	266,775.40
	-----	-----	-----
AGGREGATE DEPRECIATION			
Balances as at 31/12/2018	45,223.68	175,083.00	220,306.68
Charge for the year	2,538.48	12,979.60	15,518.08
	-----	-----	-----
Balances as at 31/12/2019	47,762.16	188,062.60	235,824.76
Charge for the year	2,538.48	13,125.60	15,664.08
	-----	-----	-----
Balances as at 31/12/2020	50,300.64	201,188.20	251,488.84
	-----	-----	-----
NET BOOK VALUE			
At 31/12/2020	<u>\$ 429.76</u>	<u>\$ 14,856.80</u>	<u>\$ 15,286.56</u>
At 31/12/2019	<u>\$ 2,968.24</u>	<u>\$ 27,252.40</u>	<u>\$ 30,220.64</u>

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13. OPERATING LEASE COMMITMENTS

As at 31st December 2020, the Foundation had total future minimum lease payments under non-cancellable leases are as follows: -

	<u>2020</u> HK\$	<u>2019</u> HK\$
<u>The Foundation as a lessee</u>		
Land and buildings		
Within one year	129,600.00	76,645.17
In the second to fifth year inclusive	48,425.81	-
Rent free period	-	(10,645.17)
	-----	-----
	\$ 178,025.81	\$ 66,000.00
	=====	=====

14. APPROVAL AND ISSUE OF FINANCIAL STATEMENTS

The statement of financial position was approved and the financial statements were authorised for issue by the Members of the Executive Council on 31st August 2021.