

**RARE DISEASE HONG KONG LIMITED
(LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2021**

**RARE DISEASE HONG KONG LIMITED
(LIMITED BY GUARANTEE)**

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements of Rare Disease Hong Kong Limited ("the Company") for the year ended 31st December 2021.

PRINCIPAL ACTIVITIES

The Company is engaged in providing education and a platform, in order to increase public awareness of rare diseases, strengthen exchanges, support and assist in the study of rare diseases.

RESULTS

The results of the Company for the year ended 31st December 2021 are set out in the income statement on page 6 of the financial statements.

DIRECTORS

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

TSANG Kin Ping
LEUNG Chat Kan
CHOW Kuen Tai Ronald
WONG Yuen Ping Maria
YUEN Pui Ling Rebecca

In accordance with Articles 54 and 55 the Company's Articles of Association, all directors retire at the forthcoming annual general meeting but, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

Except for the related party transactions as disclosed in Note 7 to the financial statements, no other 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.

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 admission of membership in the Company or any other body corporate.

PERMITTED INDEMNITY PROVISIONS

At any time during the year and up to the date of this report, there were no permitted indemnity provisions in force for the benefit of any of the directors of the Company.

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.

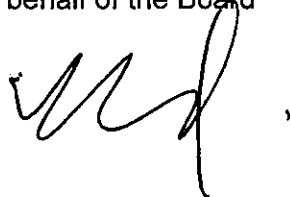
BUSINESS REVIEW

The Company qualifies for reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622), therefore it is exempted from including a business review in this report.

HONORARY AUDITORS

The financial statements have been audited by Vincent Kwok & Co. who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



TSANG Kin Ping
Chairman

HONG KONG, 29th September 2022



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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
RARE DISEASE HONG KONG LIMITED
(incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Rare Disease Hong Kong Limited set out on pages 6 to 12, which comprise the statement of financial position as at 31st December 2021, and the income statement and statement of changes in fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with 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 ("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. 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 the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors' report and detailed income statement, 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 express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance 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 determines 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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 HKSAAs, we exercise professional judgement and maintain professional scepticism 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.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'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.

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.



Vincent Kwok & Co.

Certified Public Accountants

Honorary Auditors

HONG KONG, 29th September 2022

RARE DISEASE HONG KONG LIMITED
(LIMITED BY GUARANTEE)

INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Note	1.1.2021 to 31.12.2021 HK\$	16.1.2020 to 31.12.2020 HK\$
REVENUE	3	4,395,618	3,954,036
OTHER INCOME	3	5,163	37,568
STAFF COSTS		(843,671)	(411,621)
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(1,850,554)	(1,006,326)
		<u>(2,689,062)</u>	<u>(1,380,379)</u>
SURPLUS FOR THE YEAR/ PERIOD	4	1,706,556	2,573,657
RETAINED SURPLUS BROUGHT FORWARD		<u>2,573,657</u>	-
RETAINED SURPLUS CARRIED FORWARD		<u>4,280,213</u>	<u>2,573,657</u>

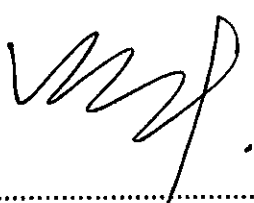
The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

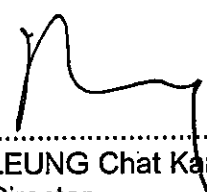
RARE DISEASE HONG KONG LIMITED
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2021

	31.12.2021 HK\$	31.12.2020 HK\$
CURRENT ASSETS		
Cash and bank balances	4,329,316	2,647,848
	<u> </u>	<u> </u>
CURRENT LIABILITIES		
Accruals	353	3,667
Receipt in advance	48,750	63,750
Bank overdraft	-	6,774
	<u> </u>	<u> </u>
	49,103	74,191
	<u> </u>	<u> </u>
NET CURRENT ASSETS	4,280,213	2,573,657
	<u> </u>	<u> </u>
FUND		
RETAINED SURPLUS	4,280,213	2,573,657
	<u> </u>	<u> </u>

The financial statements on pages 6 to 12 were approved and authorised for issue by the Board of Directors on 29th September 2022 and were signed on its behalf by:


.....
TSANG Kin Ping
Director


.....
LEUNG Chat Kan
Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

RARE DISEASE HONG KONG LIMITED
(LIMITED BY GUARANTEE)

STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Retained surplus HK\$
Surplus for the period	2,573,657
At 31st December 2020	<u>2,573,657</u>
Surplus for the year	1,706,556
At 31st December 2021	<u><u>4,280,213</u></u>

RARE DISEASE HONG KONG LIMITED
(LIMITED BY GUARANTEE)

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

1 REPORTING ENTITY

Rare Disease Hong Kong Limited is a non-profit making company incorporated in Hong Kong with limited by guarantee and not having share capital. The Company's registered office is located at Room 101, G/F., Lai Huen House, Lai Kok Estate, Cheung Sha Wan, Kowloon, Hong Kong.

The Company is engaged in providing education and a platform, in order to increase public awareness of rare diseases, strengthen exchanges, support and assist in the study of rare diseases.

The financial statements are presented in Hong Kong Dollars, which are the functional currency of the Company.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

The Company qualifies for the reporting exemption as a small guarantee 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 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 basis adopted is the historical cost convention.

(b) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following basis:

- (i) donations and sponsorship income are recognised when received or receivable;
- (ii) government subvention is recognised on an accrual basis as according to the agreement with the relevant council;
- (iii) membership fee income is recognised when received or receivable;
- (iv) interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable; and
- (v) sundry income is recognised when received or receivable.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

(c) Related parties

A party is considered to be related if the Company and/ or the party are subjected to common control or significant influence. Related parties may be individuals or other entities.

(d) Employee benefits

The Company operates a defined contribution Mandatory Provident Fund retirement benefits scheme ("the MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Company in an independently administered fund. The Company's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Company's employer voluntary contributions, which are refunded to the Company when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

3 REVENUE AND OTHER INCOME

The Company is engaged in providing education and a platform, in order to increase public awareness of rare diseases, strengthen exchanges, support and assist in the study of rare diseases. Total amounts of revenue and other income are recognised as follows:

	1.1.2021 to 31.12.2021 HK\$	16.1.2020 to 31.12.2020 HK\$
Revenue		
Donations and sponsorship income	4,270,459	3,908,806
Government subvention		
- from Social Welfare Department	123,899	43,750
Membership fee income	1,260	1,480
	<u>4,395,618</u>	<u>3,954,036</u>
Other income		
Bank interest income	65	11
Sundry income	5,098	37,557
	<u>5,163</u>	<u>37,568</u>
Revenue and other income	<u>4,400,781</u>	<u>3,991,604</u>

4 SURPLUS FOR THE YEAR/ PERIOD

	1.1.2021 to 31.12.2021 HK\$	16.1.2020 to 31.12.2020 HK\$
Surplus for the year/ period is stated after charging the following:		
Staff costs		
Salaries and wages	811,393	393,965
Mandatory Provident Fund contributions	32,278	17,656
	<u>843,671</u>	<u>411,621</u>

5 INCOME TAX EXPENSE

Hong Kong profits tax has not been provided as the Company is exempted from Hong Kong profits tax under section 88 of the Hong Kong Inland Revenue Ordinance (period ended 31st December 2020: Same).

6 DIRECTORS' EMOLUMENTS

Directors' remuneration disclosed pursuant to section 383 of the Hong Kong Companies Ordinance (Cap. 622) and Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) for the year is HK\$Nil (period ended 31st December 2020: HK\$Nil).

7 RELATED PARTY TRANSACTIONS

During the year/ period, the Company undertook the following transactions with related parties in the normal course of business:

	1.1.2021 to 31.12.2021 HK\$	16.1.2020 to 31.12.2020 HK\$
<u>Transactions during the year/ period</u>		
Donations and sponsorship income from a related society (Note a)	-	2,309,888
Supportive services fee to a related society (Note b)	50,000	50,000
	=====	=====

Note

- (a) The donations and sponsorship income from a related society was determined by the management of the society.
- (b) The pricing policy for the above-mentioned supportive services fee was determined by the management of the Company with its related society and also, set by reference to market prices.

8 STATUS OF COMPANY

The Company is a non-profit making incorporated company which is limited by guarantee and not having a share capital. In the event of this company being wound up, any person being a member or within one year thereafter, should be required to contribute to the deficit of the Company for a sum not exceeding HK\$10.

9 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 29th September 2022.

**RARE DISEASE HONG KONG LIMITED
(LIMITED BY GUARANTEE)**

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED
31ST DECEMBER 2021**

**This statement does not
form part of the Audited Financial Statements**

The accompanying financial information relating to the period 16th January 2020 (date of incorporation) to 31st December 2020 and year ended 31st December 2021 included in the detailed income statement are not the Company's statutory annual financial statements for those periods. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company is a non-profit making company with limited by guarantee. The Company has delivered the financial statements for the period ended 31st December 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31st December 2021 in due course.

The Company's auditors have reported on those financial statements for both periods. The auditors' reports were unqualified; did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their reports; and did not contain a statement under section 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

RARE DISEASE HONG KONG LIMITED
(LIMITED BY GUARANTEE)

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2021

(For management information purposes only)

	1.1.2021 to 31.12.2021 HK\$	16.1.2020 to 31.12.2020 HK\$
Revenue		
Donations and sponsorship income	4,270,459	3,908,806
Government subvention		
- from Social Welfare Department	123,899	43,750
Membership fee income	1,260	1,480
	<u>4,395,618</u>	<u>3,954,036</u>
Other income		
Bank interest income	65	11
Sundry income	5,098	37,557
	<u>5,163</u>	<u>37,568</u>
	<u>4,400,781</u>	<u>3,991,604</u>
Expenses		
Staff costs	843,671	411,621
Administrative and other operating expenses	1,850,554	1,006,326
	<u>2,694,225</u>	<u>1,417,947</u>
Surplus for the year/ period	<u>1,706,556</u>	<u>2,573,657</u>

RARE DISEASE HONG KONG LIMITED
(LIMITED BY GUARANTEE)

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2021 (CONT'D)

(For management information purposes only)

	1.1.2021 to 31.12.2021 HK\$	16.1.2020 to 31.12.2020 HK\$
<u>Staff costs</u>		
Salaries and wages	811,393	393,965
Mandatory Provident Fund contributions	32,278	17,656
	-----	-----
	843,671	411,621
	=====	=====
<u>Administrative and other operating expenses</u>		
Advertising and promotion expenses	398,917	70,435
Bank charges	8,955	446
Conference and seminar talks	769,917	536,293
Grants	285,941	74,433
Insurance	11,209	8,975
Local travelling and transportation	35,840	33,994
Member's activities fee	68,481	81,838
Office supplies	384	35,913
Postage and courier	8,460	16,248
Printing and photocopying	34,157	4,342
Sundry expenses	54,968	26,609
Supportive services fee	50,000	50,000
Website expenses	123,325	66,800
	-----	-----
	1,850,554	1,006,326
	=====	=====