

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

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD 16TH JANUARY 2020  
(DATE OF INCORPORATION)  
TO 31ST DECEMBER 2020**

RARE DISEASE HONG KONG LIMITED  
(limited by guarantee)

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the period 16th January 2020 (date of incorporation) to 31st December 2020.

COMMENCEMENT OF BUSINESS

The company commenced its business on 1st June 2020.

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 period 16th January 2020 (date of incorporation) to 31st December 2020 are set out in the income statement on page 6 of the financial statements.

DIRECTORS

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

Tsang Kin Ping	(appointed on 16th January 2020)
Leung Chat Kan	(appointed on 16th January 2020)
Chow Kuen Tai Ronald	(appointed on 16th January 2020)
Wong Yuen Ping Maria	(appointed on 16th January 2020)
Yuen Pui Ling Rebecca	(appointed on 16th January 2020)

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 period or at any time during the period.

At no time during the period 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 period 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 period.

## BUSINESS REVIEW

The company qualifies for reporting exemption as a small private 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.

## 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, 21 JUN 2021



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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 2020, and the income statement and statement of changes in fund for the period 16th January 2020 (date of incorporation) to 31st December 2020, 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's") 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, 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**

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.
- 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.

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

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

HONG KONG, 21 JUN 2021

RARE DISEASE HONG KONG LIMITED  
(limited by guarantee)

INCOME STATEMENT  
FOR THE PERIOD 16TH JANUARY 2020 (DATE OF INCORPORATION)  
TO 31ST DECEMBER 2020

	Note	16.1.2020 to 31.12.2020 HK\$
REVENUE	3	3,954,036
OTHER INCOME	3	37,568
STAFF COSTS		(411,621)
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(1,006,326)
		<u>(1,380,379)</u>
SURPLUS FOR THE PERIOD AND ACCUMULATED SURPLUS CARRIED FORWARD	4	<u>2,573,657</u>

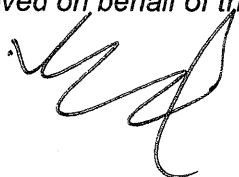
The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

RARE DISEASE HONG KONG LIMITED  
(limited by guarantee)

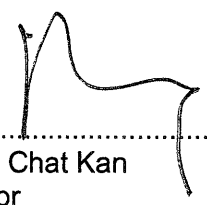
STATEMENT OF FINANCIAL POSITION  
AS AT 31ST DECEMBER 2020

	31.12.2020 HK\$
<b>CURRENT ASSETS</b>	
Cash and bank balances	2,647,848
	-----
<b>CURRENT LIABILITIES</b>	
Accruals	3,667
Receipt in advance	63,750
Bank overdraft	6,774
	-----
	74,191
	=====
<b>NET CURRENT ASSETS</b>	2,573,657
	=====
<b>FUND</b>	
<b>ACCUMULATED SURPLUS</b>	2,573,657
	=====

*Approved on behalf of the Board 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 PERIOD 16TH JANUARY 2020 (DATE OF INCORPORATION)  
TO 31ST DECEMBER 2020

	Accumulated surplus HK\$
Surplus for the period	2,573,657
At 31st December 2020	<u>2,573,657</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, 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.

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 income is 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 and receivable.

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

### (c) Related parties

A party is considered to be related if the company and the party are subject 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 recognised during the period are as follows:

	16.1.2020 to 31.12.2020 HK\$
Revenue	
Donation income	3,908,806
Government subvention	
- from Social Welfare Department	43,750
Membership fee income	1,480
	-----
	3,954,036
	-----
Other income	
Bank interest income	11
Sundry income	37,557
	-----
	37,568
	-----
	=====
Revenue and other income	3,991,604
	=====

### 4 SURPLUS FOR THE PERIOD

16.1.2020  
to  
31.12.2020  
HK\$

Surplus for the period is stated after charging the following:

Staff costs	
Salaries and wages	393,965
Mandatory provident fund contributions	17,656
	=====

### 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.

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 period is HK\$Nil.

7 RELATED PARTY TRANSACTIONS

During the period, the company undertook the following transactions with related parties in the normal course of its business:

	16.1.2020 to 31.12.2020 HK\$
Donation income from a related society (Note a)	2,309,888
Supportive services fee to a related society (Note b)	50,000
	=====

Note

- (a) The donation income from a related society was determined by the management of the Society.
- (b) The pricing policy for the above-mentioned transaction 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 Hong Kong ten dollars.

9 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 21 JUN 2021

RARE DISEASE HONG KONG LIMITED  
(LIMITED BY GUARANTEE)

DETAILED INCOME STATEMENT  
FOR THE PERIOD 16TH JANUARY 2020  
(DATE OF INCORPORATION)  
TO 31ST DECEMBER 2020

This statement does not  
form part of the Audited Financial Statements

The detailed income statement relating to the period 16th January 2020 (date of incorporation) to 31st December 2020 included in the audited financial statements is not the company's statutory annual financial statements for that period. 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:

As the company is a non-profit making company with limited by guarantee, the company is required to deliver its financial statements to the Registrar of Companies.

The company's auditors have reported on those financial statements. The auditors' report was unqualified; did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report; and did not contain a statement under sections 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 PERIOD 16TH JANUARY 2020 (DATE OF INCORPORATION)  
TO 31ST DECEMBER 2020

(For management purposes only)

	16.1.2020 to 31.12.2020 HK\$
Revenue	
Donation income	3,908,806
Government subvention - from Social Welfare Department	43,750
Membership fee income	1,480
	<u>3,954,036</u>
Other income	
Bank interest income	11
Sundry income	37,557
	<u>37,568</u>
	<u>3,991,604</u>
Expenses	
Staff costs	
Salaries and wages	393,965
Mandatory provident fund contributions	17,656
Administrative and other operating expenses	
Advertising and promotion expenses	70,435
Bank charges	446
Conference and seminar talks	536,293
Grant	74,433
Insurance	8,975
Local travelling and transportation	33,994
Member's activities fee	81,838
Office supplies	35,913
Postage and courier	16,248
Printing and photocopying	4,342
Sundry expenses	26,609
Supportive services fee	50,000
Website expenses	66,800
	<u>1,417,947</u>
Surplus for the period	<u>2,573,657</u>