

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

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2022**

**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 2022.

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 2022 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	
YUEN Pui Ling Rebecca	
TSUI Kong King Helen	(appointed on 28th May 2022)
CHAN Danny	(appointed on 28th May 2022)
WONG Man Yee	(appointed on 28th May 2022)
WONG Yiu Man Davy	(appointed on 28th May 2022)
CHU Ka Ho	(appointed on 28th May 2022 and resigned on 1st April 2023)
WONG Yuen Ping Maria	(resigned on 28th May 2022)

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

The Company falls within reporting exemption for the financial year. Accordingly, the Company is exempted from disclosing the reason for directors resigning.

DIRECTORS' INTERESTS

Except for the related party transactions as disclosed in Note 8 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

Date: 10 OCT 2023



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E-mail: accounting@sunwell.hk

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 2022, 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, 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 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 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 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.

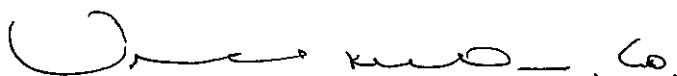
As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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, 10 OCT 2023

RARE DISEASE HONG KONG LIMITED
(LIMITED BY GUARANTEE)

INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Note	2022 HK\$	2021 HK\$
REVENUE	3	5,711,060	4,395,618
OTHER INCOME	3	174,036	5,163
STAFF COSTS		(862,465)	(843,671)
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(2,923,212)	(1,850,554)
		<u>(3,611,641)</u>	<u>(2,689,062)</u>
SURPLUS FOR THE YEAR	4	2,099,419	1,706,556
ACCUMULATED SURPLUS BROUGHT FORWARD		4,280,213	2,573,657
ACCUMULATED SURPLUS CARRIED FORWARD		<u>6,379,632</u>	<u>4,280,213</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)

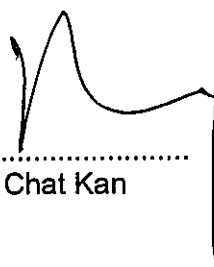
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2022

	Note	2022 HK\$	2021 HK\$
CURRENT ASSETS			
Accounts and other receivables		433,536	-
Loan to a third party	7	2,000,000	-
Cash and bank balances		4,923,461	4,329,316
		<u>7,356,997</u>	<u>4,329,316</u>
CURRENT LIABILITIES			
Accruals		913,450	353
Receipt in advance		63,915	48,750
		<u>977,365</u>	<u>49,103</u>
NET CURRENT ASSETS		<u>6,379,632</u>	<u>4,280,213</u>
FUND			
ACCUMULATED SURPLUS		<u>6,379,632</u>	<u>4,280,213</u>

The financial statements on pages 6 to 12 were approved and authorised for issue by the Board of Directors on 10 OCT 2023 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 2022

	Accumulated surplus HK\$
At 1st January 2021	2,573,657
Surplus for the year	1,706,556
At 31st December 2021	<u>4,280,213</u>
Surplus for the year	2,099,419
At 31st December 2022	<u><u>6,379,632</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;
- (v) government subsidy from employment support scheme is recognised when there is a reasonable assurance that it will be received and attached condition are complied with; and
- (vi) sundry income is recognised when received or receivable.

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

(c) Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as an income immediately.

(d) 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.

(e) 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:

	2022 HK\$	2021 HK\$
Revenue		
Donations and sponsorship income	5,503,615	4,270,459
Government subvention		
- from Social Welfare Department	205,165	123,899
Membership fee income	2,280	1,260
	<u>5,711,060</u>	<u>4,395,618</u>
Other income		
Bank interest income	916	65
Loan interest income from a third party	100,000	-
Government subsidy from employment support scheme	60,000	-
Sundry income	13,120	5,098
	<u>174,036</u>	<u>5,163</u>
Revenue and other income	<u><u>5,885,096</u></u>	<u><u>4,400,781</u></u>

4 SURPLUS FOR THE YEAR

	2022 HK\$	2021 HK\$
Surplus for the year is stated after charging the following:		
Staff costs		
Salaries and wages	828,000	811,393
Mandatory Provident Fund contributions	34,465	32,278
	<u>=====</u>	<u>=====</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 (2021: Same).

RARE DISEASE HONG KONG LIMITED
(LIMITED BY GUARANTEE)

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2022

(For management information purposes only)

	2022 HK\$	2021 HK\$
Revenue		
Donations and sponsorship income	5,503,615	4,270,459
Government subvention		
- from Social Welfare Department	205,165	123,899
Membership fee income	2,280	1,260
	<u>5,711,060</u>	<u>4,395,618</u>
Other income		
Bank interest income	916	65
Loan interest income from a third party	100,000	-
Government subsidy from employment support scheme	60,000	-
Sundry income	13,120	5,098
	<u>174,036</u>	<u>5,163</u>
	<u>5,885,096</u>	<u>4,400,781</u>
Expenses		
Staff costs	862,465	843,671
Administrative and other operating expenses	2,923,212	1,850,554
	<u>3,785,677</u>	<u>2,694,225</u>
Surplus for the year	<u>2,099,419</u>	<u>1,706,556</u>

RARE DISEASE HONG KONG LIMITED
(LIMITED BY GUARANTEE)

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2022 (CONT'D)

(For management information purposes only)

	2022 HK\$	2021 HK\$
<u>Staff costs</u>		
Salaries and wages	828,000	811,393
Mandatory Provident Fund contributions	34,465	32,278
	-----	-----
	862,465	843,671
	=====	=====
<u>Administrative and other operating expenses</u>		
Advertising and promotion expenses	990,302	398,917
Bank charges	830	8,955
Conference and seminar talks	809,859	769,917
Grants	385,602	285,941
Insurance	9,988	11,209
Legal and professional fees	6,170	-
Local travelling and transportation	16,768	35,840
Members' activities expenses	46,889	68,481
Office supplies	-	384
Pandemic sponsor expenses	500,775	-
Postage and courier	7,673	8,460
Printing and photocopying	41,045	34,157
Sundry expenses	39,370	54,968
Supportive services fee	50,000	50,000
Website expenses	17,941	123,325
	-----	-----
	2,923,212	1,850,554
	=====	=====