

AEE HONG KONG CHAPTER LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

栢 樑 會 計 師 事 務 所 有 限 公 司

YKL CPA Limited

Hong Kong

AEE HONG KONG CHAPTER LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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AEE HONG KONG CHAPTER LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report and audited financial statements of AEE HONG KONG CHAPTER LIMITED (the “Company”) for the year ended 31 December 2022 (the “year”).

PRINCIPAL ACTIVITIES

The Company is a non-profit-making body and its principal activities are to promote the interests of those engaged in the energy industry and the welfare of its members.

STATE OF THE COMPANY’S AFFAIRS

The results of the Company for the year ended 31 December 2022 and the state of the Company’s affairs at that date are set out in the financial statements on pages 5 to 10.

The changes in general fund for the year are set out in the statement of changes in general fund on page 7.

In accordance with Clause 5 of the Memorandum of Association (2014), the income and property of the Company whensoever derived, shall be applied solely towards the promotion of the objects of the Company.

DIRECTORS

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

President	Lau Lok Kei
President elect	Cheung Man Chit Jovian
Vice president	Chung Chi Leong
Secretary	Wong Wing Yiu
Treasurer	Chau Hoi Ming Charles
Other directors	Chu Kar Kit
	Hui Gary Chun Chung
	Law Chi Wai
	Li Yiu Sing Thomas
	So Woon Tan
	Tam Kar Chuen
	Tam Tsz Lung
	Yu Kin Ho
	Yeung Shu Wing
	Zhou Wenwen

In accordance with Articles 46 of the Company’s Articles of Association, the term of office of a director shall be two years. All the current directors of the Company shall retire and be eligible for re-election at the end of the said term.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the directors (including former directors) of the Company, as mentioned in Article 68 of the Company’s Articles of Association, is currently in force and was in force throughout the year.

(to be continued)

AEE HONG KONG CHAPTER LIMITED
REPORT OF THE DIRECTORS (CONTINUED)

MANAGEMENT CONTRACTS

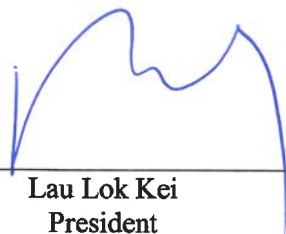
No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

AUDITOR

The financial statements for the year ended 31 December 2021 have been audited by Messrs. Y.K. Leung & Co. On 5 May 2022, our auditor has incorporated its practice in name of YKL CPA Limited and, accordingly, has signed their report in their new name since 1 January 2023.

The financial statements for the year ended 31 December 2022 have been audited by YKL CPA Limited who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-arrangement of YKL CPA Limited as the auditor of the Company is to be proposed at the forthcoming annual general meeting.

Approved by the Board of Directors
and signed on its behalf by



Lau Lok Kei
President

Hong Kong, 17 APR 2023

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AEE HONG KONG CHAPTER LIMITED
(Incorporated in Hong Kong with limited liability by guarantee)**

Opinion

We have audited the financial statements of AEE HONG KONG CHAPTER LIMITED (“the Company”) set out on pages 5 to 10, which comprise the statement of financial position as at 31 December 2022, and the income statement and statement of changes in general funds 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 for the year ended 31 December 2022 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 (“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 *Auditor's 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The directors are responsible for the Other Information. The Other Information comprises the information included in the Directors' Report of the Company for the year ended 31 December 2022, but does not include the financial statements of the Company and our auditor's report thereon (“Other Information”).

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.

(to be continued)



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AEE HONG KONG CHAPTER LIMITED**
(Incorporated in Hong Kong with limited liability by guarantee)

Auditor's 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 auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSA's, 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 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 auditor's 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 auditor's 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.

Fung Shing Bun

YKL CPA Limited
Certified Public Accountants
Fung Shing Bun, Spencer
Practising Certificate Number: P07451

Hong Kong, 17 APR 2023

AEE HONG KONG CHAPTER LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022


	Note	2022 HK\$	2021 HK\$
Income			
Course fee income		539,985	1,136,653
Bank interest income		451	7
Sundry income		-	18,212
		540,436	1,154,872
Expenses			
Course expenses:			
License fees		(249,919)	(464,422)
Profit sharing expenses		(31,316)	(87,878)
Trainers expenses		(121,628)	(194,187)
		(402,863)	(746,487)
Administrative expenses:			
Accounting fee		(54,000)	(54,000)
Auditor's remuneration		(10,000)	(10,000)
Bank charges		(810)	-
Exchange losses		(4,056)	-
Legal and professional fees		(5,700)	(5,700)
Messing		(11,575)	(1,822)
Office and general expenses		(2,923)	(4,983)
Promotion and events		(3,260)	-
		(92,324)	(76,505)
Surplus before tax		45,249	331,880
Income tax expense	5	-	(7,561)
Surplus for the year		45,249	324,319

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

AEE HONG KONG CHAPTER LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	2022 HK\$	2021 HK\$
Current assets		
Accounts receivable	250,000	250,000
Bank balances	579,361	894,575
	829,361	1,144,575
Current liabilities		
Accounts payable	31,316	428,547
Course fees received in advance	34,400	-
Provision for taxation	7,561	7,561
Accrued expenses	19,368	17,000
	92,645	453,108
Net assets	736,716	691,467
General fund	736,716	691,467

Approved by the Board of Directors and signed on its behalf by


 Lau Lok Kei
 President


 Chau Hoi Ming Charles
 Treasurer

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

AEE HONG KONG CHAPTER LIMITED
STATEMENT OF CHANGES IN GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2022

	HK\$
Balance as at 1 January 2021	367,148
Surplus for the year ended 31 December 2021	<u>324,319</u>
Balance as at 31 December 2021	691,467
Surplus for the year ended 31 December 2022	<u>45,249</u>
Balance as at 31 December 2022	<u><u>736,716</u></u>

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

AEE HONG KONG CHAPTER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

AEE HONG KONG CHAPTER LIMITED (the “Company”) was incorporated on 9 April 2014 in Hong Kong under the Companies Ordinance as a company limited by guarantee. Every member of the Company is liable to contribute to the assets of the Company a sum not exceeding HK\$100 in the event of its winding up.

The Company’s registered office is located at Room 7, 13/F., Yue Fung Industrial Building, 35-45 Chai Wan Kok Street, Tsuen Wan, Hong Kong. The principal activities of the Company are to promote the interests of those engaged in the energy industry and the welfare of its members.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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 for the year ended 31 December 2022 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 base adopted is the historical cost convention.

3. SIGNIFICANT ACCOUNTING POLICIES

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:-

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 bases:-

- (a) Course fee income are recognised when the course services rendered during the year.
- (b) Interest income from bank deposits is accrued on an time basis, by reference to the principal outstanding and at the interest rates applicable.

Foreign exchange

The reporting currency of the Company is Hong Kong Dollars (“HK\$”), which is the currency of the primary economic environment in which the Company 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

Accounts receivable

Accounts receivable are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

Accounts payable

Accounts payable are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. All borrowing costs are charged to the income statement in the year in which they are incurred.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

AEE HONG KONG CHAPTER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance is as follows:-

	<u>2022</u>	<u>2021</u>
	HK\$	HK\$
Fees	-	-
Other emoluments	-	-
	<u>-</u>	<u>-</u>

5. INCOME TAX EXPENSE

	<u>2022</u>	<u>2021</u>
	HK\$	HK\$
Current tax:		
- Hong Kong Profits Tax	-	7,561
	<u>-</u>	<u>7,561</u>

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. For the years ended 31 December 2022 and 2021, the Hong Kong profits tax of the Company is calculated in accordance with the two-tiered profits tax rate regime.

6. SHARE CAPITAL

The Company is a company limited by guarantee and thus not having share capital.

7. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on **17 APR 2023**