



國信會計師事務所有限公司

LKKC C.P.A. LIMITED

Chartered Accountants
Certified Public Accountants

香港中環德輔道中141號中保集團大廈24樓2401室

Suite 2401, China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong.

Tel 電話：(852) 2521 9013 Fax 傳真：(852) 2541 0502 Email 電郵：enquiry@lkkc-cpa.com

The Chairman,
China Education Association, HKUSU
Mailbox 133,
China Education Association, HKUSU,
The University of Hong Kong,
Pokfulam Road,
Hong Kong

Dear Sirs,

Date: 4th October 2016

ENGAGEMENT LETTER

The purpose of this letter is to set out the basis on which we act as auditors of the company and the respective areas of responsibility of the company and of ourselves.

Audit

- 1.1 As directors of the above company, you are responsible for maintaining proper books of account and preparing financial statements which give a true and fair view of the profit or loss and state of affairs of the company and comply with the Companies Ordinance. You are also responsible for making available to us, as and when required, all the company's books of account and all other records and related information, including minutes of all management and shareholders' meetings.
- 1.2 We have a statutory responsibility to report to the members whether in our opinion the financial statements give a true and fair view of the state of the company's affairs and of the profit or loss for the year and whether they comply with the Companies Ordinance (or other relevant legislation). In arriving at our opinion, we are required to consider the following matters, and to report on any in respect of which we are not satisfied :
 - (a) whether proper books of account have been kept by the company ;
 - (b) whether the company's balance sheet and profit and loss account are in agreement with the books of account; and
 - (c) whether we have obtained all the information and explanations which we think necessary for the purpose of our audit.

In addition, there are certain other matters which, according to the circumstances, may need to be dealt with in our report. For example, where the financial statements do not give full details of directors' remuneration or of loans to officers, the Companies Ordinance requires us to disclose such matters in our report.

- 1.3 We have a professional responsibility to report if the financial statements do not comply in any material respect with Hong Kong Accounting Standards, unless in our opinion the non-compliance is justified in the circumstances.

- 1.4 Our audit will be conducted in accordance with the Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants and will have regard to relevant Auditing Guidelines. Furthermore, it will be conducted in such manner as we consider necessary to fulfill our responsibilities and will include such tests of transactions and of the existence, ownership and valuation of assets and liabilities as we consider necessary. We shall obtain an understanding of the accounting system in order to assess its adequacy as a basis for the preparation of the financial statements and to establish whether proper books of account have been maintained. We shall expect to obtain such relevant and reliable evidence as we consider sufficient to enable us to draw reasonable conclusions therefrom. The nature and extent of our tests will vary according to our assessment of the company's accounting system and, where we wish to place reliance on it, the system of internal control and may cover any aspect of the business operations. We shall report to you any significant weaknesses in, or observations on, the company's systems which come to our notice and which we think should be brought to your attention.
- 1.5 As part of our normal audit procedures, we will request you to provide written representations on matters having a material effect on the financial statements.
- 1.6 In order to assist us with the examination of your financial statements, we shall request sight of all documents or statements, including the chairman's statement and the directors' report, which are due to be issued with the financial statements. We are also entitled to attend all General Meetings of the company and to receive notice of all such meetings.
- 1.7 We appreciate that the present size of your business renders it uneconomic to create a system of internal control based on the segregation of duties for different functions within each area of the business. In the running of your company we understand that the directors are closely involved with the control of the company's transactions. In planning and performing our audit work we shall take account of this supervision. Further, we may ask additionally for confirmation in writing that all the transactions undertaken by the company have been properly reflected and recorded in the books of account, and our audit report on your company's financial statements may refer to this confirmation.
- 1.8 The responsibility for the prevention and detection of irregularities and fraud rests with yourselves. However, we shall endeavor to plan our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or books of account resulting from irregularities or fraud, but our examination should not be relied upon disclose irregularities or fraud which may exist.
- 1.9 We shall not be treated as having notice, for the purposes of our audit responsibilities, of information provided to members of our firm other than those engaged on the audit (e.g. information provided in connection with accounting, taxation and other services).

Accounting and other services

- 2.1 It was agreed that we should carry out the following services as your agents and on the basis that you will make full disclosure to us of all relevant information.
- 2.2 We shall:
 - (a) prepare the financial statements based on books of account maintained by yourselves;
 - (b) provide assistance to the company secretary by preparing and lodging returns with the Registrar of Companies
 - (c) investigate irregularities and fraud upon receiving specific instructions.

Fees

- 3.1 Our fees are computed on the basis of the time spent on your affairs by the partners and our staff, and on the levels of skill and responsibility involved. Unless otherwise agreed, our fees will be charged separately for each of the main classes of work described above, will be billed at appropriate intervals during the course of the year and will be due on presentation.
- 3.2 You, as chairman of the Board, should guarantee for our fees payments. Should the company become insolvent and fail to pay our fees, you will be personally responsible to pay for our fees and charges.

Agreement of Terms


- 4.1 Once it has been agreed, this letter will remain effective, from one audit appointment to another, until it is replaced. We shall be grateful if you could confirm in writing your agreement to the terms of this letter by signing and returning the attached copy, or let us know if they are not in accordance with your understanding of our terms of appointment. If within one month from the date of this letter we have not received the attached copy, duly signed by you, and we have not received any other communication from you concerning the contents of this letter, the provisions contained in it shall be deemed to have become effective.

Yours truly,
For and on behalf of
LKKC C.P.A. Limited
Certified Public Accountants



Authorized signature(s)
Auditor – Wilson, Chi-Shing Kwok
Practising certificate number - P01952

Agreed and accepted by



(signed)
Chairman, for and on behalf of the
Executive Committee
China Education Association, HKUSU

CHINA EDUCATION ASSOCIATION, HKUSU

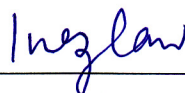
MINUTES OF A MEETING OF THE DIRECTORS OF THE COMPANY HELD AT ITS REGISTERED OFFICE ON 24TH OCTOBER 2016

PRESENT :

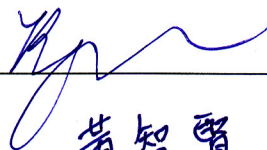
Ng I Peng



Law Wan Yui



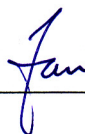
Choi Sze Ming



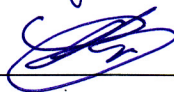
Wong Chi Yin


黃智賢

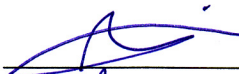
Fan Ka Foon



Wong Yuen Shan



Fung Annie



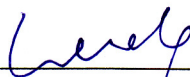
Lau Yuen Yan



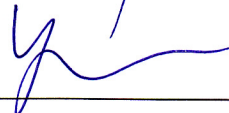
Yang Yuzhao



Feng Weidi



Chong Wing Yan



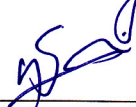
Hsu Ching Ming



Leung Yin Mei



Chung Wing Shan



1. CHAIRMAN

Ng I Peng acted as Chairman of the Meeting.

2. NOTICE AND QUORUM

It was noted that Notice of the Meeting had been given to all the Directors of the Company pursuant to the Company's Articles of Association, that a quorum of Directors was present and that the Meeting was therefore duly convened and constituted.

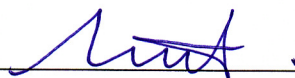
3. ACCOUNTS

It was resolved that the Accounts of the Company for the year 31st October 2015 together with the Directors' Report thereon placed before this Meeting, be and are hereby approved as presented.

It was further resolved that the Balance Sheet be signed by the two Directors and the Directors' Report be signed by the Chairman of this Meeting.

4. TERMINATION

There being no further business, the Chairman declared the Meeting closed.



Chairman of the Meeting

CHINA EDUCATION ASSOCIATION, HKUSU

香港大學學生會中國教育小組

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2015

LKKC

國信會計師事務所有限公司

LKKC C.P.A. LIMITED

Chartered Accountants
Certified Public Accountants

**CHINA EDUCATION ASSOCIATION, HKUSU
REPORT OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 31ST OCTOBER 2015**

CONTENTS

	<u>Page(s)</u>
Executive Committee's Report	1 - 2
Auditor's Report	3 - 4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7

(EXPRESSED IN HONG KONG DOLLARS)

**CHINA EDUCATION ASSOCIATION, HKUSU
REPORT OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 31ST OCTOBER 2015**

The Executive Committee has pleasure in submitting their annual report together with the audited financial statements of the Association for the year ended 31st October 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Association are advancement of education for students in Mainland China.

RESULTS

The results of the Association and its state of affairs at that date are set out in the financial statements on page 5 to 7.

EXECUTIVE COMMITTEE MEMBERS

The Executive Committee Members who held office during the year and up to the date of this report were:-

Ng I Peng	(Chairperson)	(appointed on 19th February 2016)
Law Wan Yui	(Internal vice chairperson)	(appointed on 19th February 2016)
Choi Sze Ming	(External vice chairperson)	(appointed on 19th February 2016)
Wong Chi Yin	(Financial secretary)	(appointed on 19th February 2016)
Fan Ka Foon	(General secretary)	(appointed on 19th February 2016)
Wong Yuen Shan		(appointed on 19th February 2016)
Fung Annie		(appointed on 19th February 2016)
Lau Yuen Yan		(appointed on 19th February 2016)
Yang Yuzhao		(appointed on 19th February 2016)
Feng Weidi		(appointed on 19th February 2016)
Chong Wing Yan		(appointed on 19th February 2016)
Hsu Ching Ming		(appointed on 19th February 2016)
Leung Yin Mei		(appointed on 19th February 2016)
Chung Wing Shan		(appointed on 19th February 2016)
Kwok Kam Man, Carmen	(Ex-Chairperson)	(resigned on 19th February 2016)
Li Wing Lam, Karen		(resigned on 19th February 2016)
Leung Lok Ling, Connie		(resigned on 19th February 2016)
Man Hei Lap, Sunny		(resigned on 19th February 2016)
Sham Hiu Tung, Chilli		(resigned on 19th February 2016)
Wong Kit Man, Kitman		(resigned on 19th February 2016)
Chan Yuen Ying, Crystal		(resigned on 19th February 2016)
He Yang, Anne		(resigned on 19th February 2016)
Tse Hei Man, Kellie		(resigned on 19th February 2016)
Hu DongYuan, Jaminem		(resigned on 19th February 2016)
Zhang Qi, Lavenda		(resigned on 19th February 2016)
Yan Yuen Ching, Jocelyn		(resigned on 19th February 2016)
Wong Yu Kem, Piano		(resigned on 19th February 2016)

All Executive Committee Members will retire at the forthcoming annual general meeting and being eligible offer themselves for re-election.

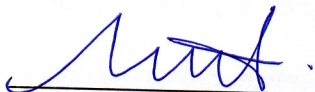
**CHINA EDUCATION ASSOCIATION, HKUSU
REPORT OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 31ST OCTOBER 2015**

2

AUDITORS

The auditors, Messrs. LKKC C.P.A. LIMITED, Chartered Accountants, Certified Public Accountants, retire but, being eligible, offer themselves for re-appointment.

FOR AND ON BEHALF OF THE EXECUTIVE COMMITTEE



Ng I Peng
Chairman

Hong Kong, 24th October 2016

**INDEPENDENT AUDITOR'S REPORT
TO THE EXECUTIVE COMMITTEE MEMBERS OF
CHINA EDUCATION ASSOCIATION, HKUSU
(ESTABLISHED IN HONG KONG)**

Report on the Financial Statements

We have audited the financial statements of China Education Association Hong Kong University Student's Union set out on pages 5 to 7, which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of the Executive Committee Members and auditors

The Association's constitution and by-law require the Executive Committee of China Education Association, HKUSU to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view, it is fundamental that appropriate accounting policies are selected applied consistently.

We are engaged 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 the Association's constitution and by-laws, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Basis of opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Executive Committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

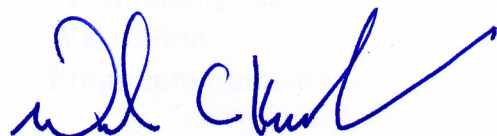
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

(To be cont'd)

**INDEPENDENT AUDITOR'S REPORT
TO THE EXECUTIVE COMMITTEE MEMBERS OF
CHINA EDUCATION ASSOCIATION, HKUSU
(ESTABLISHED IN HONG KONG)**

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Association as at 31st October 2015 and of its surplus for the year then ended and have been properly prepared in accordance with the constitution and by-laws of the association.



LKKC C.P.A. LIMITED
國信會計師事務所有限公司
Chartered Accountants
Certified Public Accountants
Auditor – Wilson, Chi-Shing Kwok
郭志成執業會計師
Practising certificate number – P01952

Hong Kong, 24th October 2016

C606/WK/C/822

CHINA EDUCATION ASSOCIATION, HKUSU
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST OCTOBER 2015

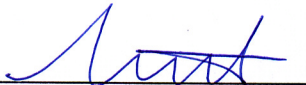
	<u>2015</u> HK\$	<u>2014</u> HK\$
INCOME		
Donation	281,886	257,591
Interest income	1,105	27
Subsidy from University	5,669	12,958
Membership fee	12,600	4,560
Walkathon	71,603	31,850
Programme income	8,680	135,648
	<u>381,543</u>	<u>442,633</u>
EXPENDITURE		
School fee	(199,445)	(227,104)
Programme expenses	(16,987)	(145,629)
Exchange loss	(1,400)	(4,462)
General and administration expenses	(18,893)	(10,934)
	<u>(236,724)</u>	<u>(388,129)</u>
Surplus for the year	144,819	54,504
Surplus brought forward	<u>840,637</u>	<u>786,133</u>
Surplus carried forward	<u><u>985,456</u></u>	<u><u>840,637</u></u>

The notes on page 7 form an integral part of these financial statements.

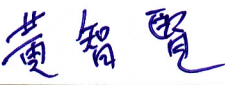
CHINA EDUCATION ASSOCIATION, HKUSU
BALANCE SHEET
AS AT 31ST OCTOBER 2015

	<u>2015</u> HK\$	<u>2014</u> HK\$
CURRENT ASSETS		
Bank balances	<u>985,456</u>	<u>840,637</u>
NET ASSETS	<u><u>985,456</u></u>	<u><u>840,637</u></u>
FINANCED BY:		
GENERAL FUNDS	<u><u>985,456</u></u>	<u><u>840,637</u></u>

APPROVED AND AUTHORISED FOR ISSUE BY THE EXECUTIVE COMMITTEE ON
 24TH OCTOBER 2016.



 Ng I Peng
 Chairperson



 Wong Chi Yin
 Financial secretary

The notes on page 7 form an integral part of these financial statements.

**CHINA EDUCATION ASSOCIATION, HKUSU
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2015**

1. LEGAL STATUS

China Education Association, HKUSU is established in Hong Kong and registered in accordance with the provisions of section 5A (I) of the Societies Ordinance.

The registered office of the Association is located at The University of Hong Kong, Pokfulam Road, Hong Kong.

The principle activities of the Association are advancement of education for students in Mainland China.

2. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants. They are prepared under historical cost convention.

(b) Taxation

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

(c) Revenue

The revenue of the Association is recognized on cash basis.

CHINA EDUCATION ASSOCIATION, HKUSU
DETAIL OF EXPENSES
AS AT 31ST OCTOBER 2015

8

	<u>2015</u> HK\$	<u>2014</u> HK\$
PROGRAMME EXPENSES		
CEA ambassador	5,053	-
CEF programme	1,917	-
China education festival	6,041	2,347
Orientation Day Expenses	78	-
Registration day expenses	-	2,818
Walkathon & other	3,897	82,742
Winter expenses	-	55,643
Wow camp expenses	-	2,079
	<u>16,987</u>	<u>145,629</u>
GENERAL AND ADMINISTRATION EXPENSES		
Bank charges	2,768	2,561
Transportation and postage	2,348	1,817
Printing and stationery	12,163	4,089
Telephone	140	105
Sundry expenses	1,474	2,362
	<u>18,893</u>	<u>10,934</u>