

J LIFE FOUNDATION LIMITED  
(Limited by guarantee)

REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

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**W. M. MOO**  
certified public accountant

毛偉文執業會計師

**J LIFE FOUNDATION LIMITED**  
(Limited by guarantee)

**REPORT OF THE DIRECTORS**

The directors have pleasure in submitting their report together with the audited consolidated financial statements for the year ended 31 December 2022.

**PRINCIPAL ACTIVITIES**

The Company is a limited company incorporated in Hong Kong. The registered office of the company is located at Flat G, 1/F., Cheong Wah Building, 203-211 Nam Cheong Street, Shamshuipo, Kowloon, Hong Kong.

The principal activities of the company and the group are to help the underprivileged by providing food, daily necessities, education, resource consulting, life skills education and operate community housing project.

**RESULTS AND APPROPRIATIONS**

The results of the group for the year are set out on page 5 of the financial statements.

**PROPERTY, PLANT AND EQUIPMENT**

Movements in property, plant and equipment during the year are set out in note 6 to the financial statements.

**DIRECTORS**

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

Chan Fan  
Chan Chi Leung  
Foo Kenny Tze Lin

In accordance with Articles 38 and 39 of the company's Articles of Association, all directors shall retire from office and eligible for re-election.

**DIRECTORS' INTERESTS IN CONTRACTS**

No contracts of significance to which the company or its subsidiary was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## DIRECTORS' RIGHTS TO ACQUIRE DEBT SECURITIES

At no time during the year was the company or its subsidiary a party to any arrangements to enable the directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

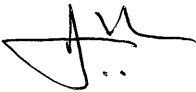
## MANAGEMENT CONTRACTS

No substantial contracts concerning the management and administration of the company were entered into or existed during the year.

## AUDITOR

The financial statements have been audited by Messrs W. M. Moo who retires and, being eligible, offers himself for re-appointment.

On behalf of the board

x 

Director

Hong Kong, 1 September 2023

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF J LIFE FOUNDATION LIMITED  
(Limited by guarantee)  
(Incorporated in Hong Kong with limited liability)**

**Opinion**

I have audited the consolidated financial statements of J Life Foundation Limited ("the Company") and its subsidiary (collectively referred to as the "Group") set out on pages 5 to 15, which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of income and retained earnings and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards for Private Entities ("HKFRS for PE") 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**

I conducted my audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Other information**

The directors of the Group are responsible for the other information. The other information comprises all information included in the directors' report, but does not include the financial statements and my auditor's report thereon.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I 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 consolidated financial statements that give a true and fair view in accordance with HKFRS for PE 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

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

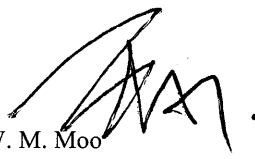
### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated 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 my 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 Group'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 Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a matter that achieves fair presentation.

I 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 I identify during my audit.

  
W. M. Moo  
Certified Public Accountant

Hong Kong, 1 September 2023

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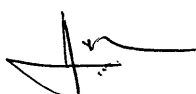
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2022

	2021	
	HK\$	HK\$
Income		
Cash donations for general fund	627,307	1,791,860
Cash donations for specified programs	8,845,672	6,086,937
Interest income	20,094	363
Sundry income	317,425	242,113
Non-cash donations	<u>11,283,671</u>	<u>11,933,863</u>
	21,094,169	20,055,136
	-----	-----
Less: Expenditure		
Audit fee	21,000	6,000
Bank charges and interest	2,652	6,983
Depreciation	8,745	56,695
Event expenses	144,522	1,383,471
Exchange loss	2,632	104
Insurance	8,996	9,520
Legal and professional fees	2,605	10,312
Membership	4,980	4,980
Messing and welfare	10,443	13,863
MPF	1,122	3,581
Non-cash distributions to beneficiaries	11,283,671	11,933,863
Overseas travelling	6,208	-
Penalties and fines	39	1,200
Printing and stationery	8,463	6,692
Rent, rates and building management fee	623,682	309,150
Salaries	33,532	113,216
Specified program expenses	8,833,178	6,086,937
Sundry expenses	13,527	30,478
Telephone	11,976	16,756
Transportation	18,891	10,847
Utilities	<u>29,422</u>	<u>33,997</u>
	21,070,286	20,038,645
	-----	-----
Surplus for the year	23,883	16,491
Balance brought forward	<u>6,857,353</u>	<u>6,840,862</u>
Balance carried forward	<u>6,881,236</u>	<u>6,857,353</u>

J LIFE FOUNDATION LIMITED  
(Limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022

			2021
	Note	HK\$	HK\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	-	8,745
		-----	-----
<b>Current assets</b>			
Deposits paid		226,500	111,100
Programme expenses prepaid		375,408	227,434
Other receivable		-	96,401
Cash at bank		<u>24,667,982</u>	<u>20,076,061</u>
		25,269,890	20,510,996
		-----	-----
<b>Less: Current liabilities</b>			
Accruals		402,459	362,289
Receipts in advance		<u>17,986,195</u>	<u>13,300,099</u>
		18,388,654	13,662,388
		-----	-----
<b>Net current assets</b>		<u>6,881,236</u>	<u>6,848,608</u>
		-----	-----
		<u>6,881,236</u>	<u>6,857,353</u>
		=====	=====
<b>RESERVES</b>			
<b>Accumulated surplus</b>		<u>6,881,236</u>	<u>6,857,353</u>
		=====	=====



Director



Director

J LIFE FOUNDATION LIMITED  
(Limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022


	2021	
	HK\$	HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating results for the year	23,883	16,491
Interest paid	42	51
Interest income	(20,094)	(363)
Depreciation	<u>8,745</u>	<u>56,695</u>
Operating results before working capital changes	12,576	72,874
Increase in deposits paid	(115,400)	-
(Increase)/Decrease in other receivable	96,401	(35,400)
(Increase)/Decrease in program expenses prepaid	(147,974)	7,767
Increase/(Decrease) in accruals	40,170	(16,240)
Increase in receipts in advance	<u>4,686,096</u>	<u>3,504,684</u>
Cash from operating activities	4,571,869	3,533,685
Interest paid	<u>(42)</u>	<u>(51)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	4,571,827	3,533,634
<b>NET CASH FROM INVESTING ACTIVITIES</b>		
Interest received	<u>20,094</u>	<u>363</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	4,591,921	3,533,997
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<u>20,076,061</u>	<u>16,542,064</u>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<u>24,667,982</u>	<u>20,076,061</u>
<b>ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS</b>		
Cash at bank	<u>24,667,982</u>	<u>20,076,061</u>




J LIFE FOUNDATION LIMITED  
(Limited by guarantee)

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022

		2021	2021
	Note	HK\$	HK\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	-	8,745
Interest in a subsidiary company	7	(255,799)	<u>96,401</u>
		(255,799)	105,146
		-----	-----
<b>Current assets</b>			
Deposits paid		111,100	111,100
Programme expenses prepaid		375,408	227,434
Cash at bank		<u>24,667,982</u>	<u>20,076,061</u>
		25,154,490	20,414,595
		-----	-----
<b>Less: Current liabilities</b>			
Accruals		365,968	362,289
Receipts in advance		<u>17,610,981</u>	<u>13,300,099</u>
		17,976,949	13,662,388
		-----	-----
<b>Net current assets</b>		7,177,541	6,752,207
		-----	-----
		6,921,742	6,857,353
		=====	=====
<b>RESERVES</b>			
Accumulated surplus		6,921,742	6,857,353
		=====	=====

  
\_\_\_\_\_  
Director\

  
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Director

J LIFE FOUNDATION LIMITED  
(Limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company is a limited company incorporated in Hong Kong. The registered office of the company is located at Flat G, 1/F., Cheong Wah Building, 203-211 Nam Cheong Street, Shamshuipo, Kowloon, Hong Kong.

The principal activities of the company and the group are to help the underprivileged by providing food, daily necessities, education, resource consulting, life skills education and operate community housing project.

2 LEGAL STATUS

The company is limited by guarantee and not having a share capital. The liability of each of its members, in the event of its being wound up while he is a member or within one year after he ceased to be a member for payment of the debts and liabilities of the company contracted before he ceases to be a member, and costs, charges and expenses of winding up, and for the adjustment of right of the contributories among themselves, is limited to an amount not exceeding HK\$100.

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the company and of its subsidiaries for the year ended 31 December 2022. The results of subsidiary acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal respectively. All significant inter-company transactions and balances within the group are eliminated on consolidation.

Goodwill or capital reserve arising on consolidation of subsidiaries represents the difference between the purchase consideration paid and the fair values ascribed to the net underlying assets acquired and is eliminated against or credited to reserves in the year of acquisition.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance costs, is normally charged to the statement of income and retained earnings in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset, the expenditure is capitalised as an additional cost of the asset.

Depreciation is calculated on a straight line method at the following rates to write off the costs of the assets over their estimated useful lives.

Furniture and equipment	25% p.a.
Leasehold improvement	25% p.a.

(c) Subsidiaries

A subsidiary is a company in which the company, directly or indirectly, controls more than half of the voting power or issued share capital or controls the composition of the board of directors. The company's interest in subsidiaries are stated at cost less provision for permanent diminution in value. Results of the subsidiaries are accounted for by the company on the basis of dividends received and receivable.

(d) Impairment of non-financial assets, other than inventories

At each reporting date, property, plant and equipment, investment properties, intangible assets, and investments in a subsidiary and an associate are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(e) Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (1) A person or a close member of that person's family is related to the Company if that person:
  - (i) is a member of the key management personnel of the Company or of a parent of the Company;
  - (ii) has control over the Company; or
  - (iii) has joint control or significant influence over the reporting entity or has significant voting power in it.
- (2) An entity is related to the Company if any of the following conditions applies:
  - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
  - (iii) both entities are joint ventures of a third entity.
  - (iv) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
  - (vi) the entity is controlled or jointly controlled by a person identified in (1).
  - (vii) a person identified in (1)(i) has significant voting power in the entity.

(f) Cash equivalents

Cash equivalents represent short-term, highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from banks repayable within three months from date of the advances.

(g) Revenue recognition

Donation received and program income are recognized on receipt basis.

Interest income is recognized on the time proportion basis taking into account the principal outstanding and the effective rate of interest applicable.

Non-cash donations are recorded at their fair value at date of receipt. The amounts reflected in the accompanying financial statements are offset by like amounts in expenses.

Management fee income is recognised when the relevant services are provided.

(h) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rental payments under operating leases are charged to the income and expenditure account on a straight line basis over the period of the relevant leases.

4 TAXATION

No provision for Hong Kong profits tax has been made in the financial statements as the company is entitled to exemption under Section 88 of the Inland Revenue Ordinance with effect from 26 July 2013.

5 DIRECTORS' REMUNERATION

The directors did not receive any remuneration for their services rendered to the company during the year. (2021:Nil)

6 PROPERTY, PLANT AND EQUIPMENT

	Furniture and equipment	Leasehold improvement	Total
	HK\$	HK\$	HK\$
Cost			
At 1.1.2022 and 31.12.2022	156,215	253,080	409,295
	-----	-----	-----
Accumulated depreciation			
At 1.1.2022	147,470	253,080	400,550
Charge for the year	8,745	-	8,745
At 31.12.2022	156,215	253,080	409,295
	=====	=====	=====
Net book value			
At 31.12.2022	-	-	-
	=====	=====	=====
At 31.12.2021	8,745	-	8,745
	=====	=====	=====

7 INTEREST IN A SUBSIDIARY COMPANY

2021

	HK\$	HK\$
Unlisted ordinary share, at cost		
Balance b/f and c/f	1	1
Amount due from/(to) subsidiary company	(255,800)	<u>96,400</u>
	<u>(255,799)</u>	<u>96,401</u>

Details of the subsidiary company are as follows:

Name of the company	Principal activities	Place of registration	Nominal value of registered capital	Equity interest attributable to the company
Asia Galaxy Holdings Limited	The community housing project	Hong Kong	1	100%

Statement pursuant to paragraph 18(4) of Part II of the Tenth Schedule of the Companies Ordinance.

No audit account or management account for the subsidiary is available for the year ended 31.12.2021.

## 8 OPERATING LEASE COMMITMENTS

### The Group

#### As lessor

Rental income earned from properties during the year amounted to HK\$1,580,760 (2021:Nil).

At 31 December 2022, the group had contracted with tenants for the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2021	
	HK\$	HK\$
Within one year	906,526	-
In the second to fifth year inclusive	<u>258,949</u>	<u>-</u>
	<u>1,165,475</u>	<u>-</u>

#### As lessee

Minimum lease payments paid under operating leases for rented properties during the year amounted to HK\$2,598,333. (2021:HK\$1,030,068)

At 31 December 2022, the group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2021	
	HK\$	HK\$
Within one year	1,666,594	850,068
In the second to fifth year inclusive	<u>839,017</u>	<u>30,000</u>
	<u>2,505,611</u>	<u>880,068</u>

### The Company

Minimum lease payments paid under operating leases for rented properties during the year amounted to HK\$1,030,068. (2021:HK\$1,030,068)

At 31 December 2022, the company had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2021	
	HK\$	HK\$
Within one year	760,068	850,068
In the second to fifth year inclusive	<u>580,068</u>	<u>30,000</u>
	<u>1,340,136</u>	<u>880,068</u>

## 9 COMMUNITY CARE FUND ASSISTANCE PROGRAMMES

During the year, the company has implemented the Community Care Fund (“CCF”) assistance programmes. According to the requirement of CCF, the company is required to disclose the income and expenditure of the following programme.

CCF – Assistance Programme to Improve the Living Environment of Low-income Subdivided Unit Households

	2021	
	HK\$	HK\$
Income		
Subsidiary from CCF	208,875	334,125
Expenditure		
Salaries	<u>228,927</u>	<u>231,646</u>
Surplus/(Deficit) for the year	(20,052)	102,479
Accumulated surplus brought forward	<u>102,479</u>	<u>-</u>
Accumulated surplus carried forward	<u>82,427</u>	<u>102,479</u>

## 10 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the board of directors on 1 September 2023.