HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED
香港專業人才服務機構有限公司

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

PHILIP POON & PARTNERS
CPA LIMITED
潘展聰會計師行有限公司

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(EXPRESSED IN THE NEAREST HONG KONG DOLLARS)

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED
香港專業人才服務機構有限公司

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED MARCH 31, 2016

The directors submit their annual report together with the audited financial statements for the year ended March 31, 2016.

PRINCIPAL ACTIVITIES

Hong Kong Professional & Educational Services Limited ("the company") is a non-profit making organisation established to mobilise, empower and support committed professionals and business executives to become a positive influence in society and to contribute to the holistic development of Greater China and other Asian countries.

DIRECTORS

Directors of the company during the year and up to the date of this report were:

Chin Ping Ngai, Kenneth
Yuen Hoi Pak
Tang Yau Shun
Szeto Wing Fu
Ng Cheuk Man, Derek
Ng Chak Wai
Tang Lok Man (appointed on November 16, 2015)

In accordance with the Articles of Association, all directors retire and, being eligible, offer themselves for re-election.

MANAGEMENT CONTRACTS

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

BUSINESS REVIEW

The company falls within reporting exemption for the financial year. Accordingly, the company is exempted from preparing a business review.

...../To be continued

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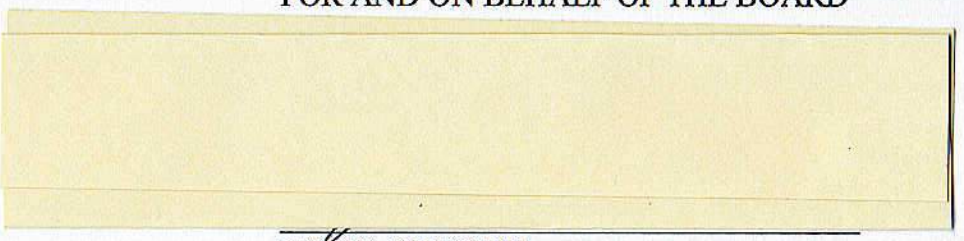
AUDITORS

Philip Poon & Partners CPA Limited are the company's retiring auditors who, being eligible, offer themselves for re-appointment.

FOR AND ON BEHALF OF THE BOARD



SZETO WING FU
CHAIRMAN

Hong Kong
July 28, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED
香港專業人才服務機構有限公司

(Incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of Hong Kong Professional & Educational Services Limited ("the Company") set out on pages 5 to 19, which comprise the statement of financial position as at March 31, 2016, and the statement of profit or loss and other comprehensive income, statement of changes in members' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made 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.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

...../To be continued

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED
香港專業人才服務機構有限公司

(Incorporated in Hong Kong and limited by guarantee)

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Auditor's Responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2016, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Philip Poon & Partners CPA Limited
Mr. Poon Chin Chung, Philip
Practising Certificate No.: P01748

Certified Public Accountants
Hong Kong
July 28, 2016

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HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED
香港專業人才服務機構有限公司

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED MARCH 31, 2016

	NOTE	2016 $	2015 $
INCOME			
Bank interest received		175	160
Contribution received			
Architect and planner project		16,000	48,000
Donations received		1,164,063	1,125,169
Marketplace excellence program		897,646	222,197
Foreign exchange gain		--	740
Subsidies received		114,000	48,000
Sundry income		220,588	246,005
		2,412,472	1,690,271
LESS: OPERATING EXPENSES			
Auditors' remuneration		6,000	5,500
Bank charges		5,247	5,542
Clinical claims		3,200	4,142
Depreciation	6	13,806	47,909
Insurance		4,047	4,266
IT Project		105,000	76,667
Mandatory provident fund contribution		40,990	45,977
Ministry consultant and associates partner expenses		226,029	206,598
Postage and stamps		220	570
Printing and stationery		2,806	4,625
Rent		264,000	264,000
Repair and maintenance		6,240	3,340
Salaries		819,792	919,548
Sundry expenses		4,140	8,556
Telephone and fax expenses		3,505	3,695
Utilities		15,457	15,623
Website expenses		5,034	4,320
		1,525,513	1,620,878

...../To be continued

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED
香港專業人才服務機構有限公司

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED MARCH 31, 2016

...../Continued

	2016 $	2015 $
LESS: PROMOTION EXPENSES		
Newsletter design and printing	22,850	22,420
Postage and label expenses	18,678	19,558
Transportation	1,600	2,207
	43,128	44,185
LESS: PROGRAM EXPENSES		
Marketplace excellence program	658,447	67,880
SURPLUS/(DEFICIT) FOR THE YEAR	185,384	(42,672)
OTHER COMPREHENSIVE INCOME	--	--
TOTAL COMPREHENSIVE INCOME/(EXPENSE)	185,384	(42,672)

The notes on pages 10 to 19 form part of these financial statements.

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED
香港專業人才服務機構有限公司

STATEMENT OF FINANCIAL POSITION AT MARCH 31, 2016

	NOTE	2016 $	2015 $
NON-CURRENT ASSETS			
Plant and equipment	6	22,687	18,550
CURRENT ASSETS			
Prepayments and deposits		63,629	192,322
Bank balances and cash		1,754,801	2,018,158
		1,818,430	2,210,480
CURRENT LIABILITIES			
Accruals		17,661	320,102
Receipts in advance		--	110,835
Amount due to a related company	7	81,538	275,254
Bank overdrafts		86,073	52,378
		185,272	758,569
NET CURRENT ASSETS		1,633,158	1,451,911
TOTAL ASSETS LESS CURRENT LIABILITIES		1,655,845	1,470,461
MEMBERS' EQUITY			
General fund		1,655,845	1,470,461

Approved and authorised for issue by the board of directors on July 28, 2016

SZETO WING FU
DIRECTOR

YUEN HOI PAK
DIRECTOR

The notes on pages 10 to 19 form part of these financial statements.

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED
香港專業人才服務機構有限公司

STATEMENT OF CHANGES IN MEMBERS' EQUITY

FOR THE YEAR ENDED MARCH 31, 2016

	General fund $
Total members' equity at April 1, 2014	1,513,133
Total comprehensive expense for the year	(42,672)
Total members' equity at March 31, 2015	1,470,461
Total members' equity at April 1, 2015	1,470,461
Total comprehensive income for the year	185,384
Total members' equity at March 31, 2016	1,655,845

The notes on pages 10 to 19 form part of these financial statements.

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED
香港專業人才服務機構有限公司

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2016

	NOTE	2016 $	2015 $
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	8	(279,284)	310,456
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(17,943)	(4,018)
Interest received		175	160
Net cash used in investing activities		(17,768)	(3,858)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(297,052)	306,598
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,965,780	1,659,182
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,668,728	1,965,780
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		1,754,801	2,018,158
Bank overdrafts		(86,073)	(52,378)
		1,668,728	1,965,780

The notes on pages 10 to 19 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

1. CORPORATE INFORMATION

Hong Kong Professional & Educational Services Limited ("the company") is a limited company incorporated in Hong Kong and limited by guarantee. The address of its registered office is 8A, Alpha House, 27-33 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.

The company is a non-profit making organisation established to mobilise, empower and support committed professionals and business executives to become a positive influence in society and to contribute to the holistic development of Greater China and other Asian countries.

The financial statements are presented to the nearest Hong Kong dollars, which is the company's functional and presentation currency.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong, and the requirements of the Hong Kong Companies Ordinance.

(b) Reporting exemption

The company qualifies for the reporting exemption as a small guarantee company under sections 359(1)(a) and 363 of the Hong Kong Companies Ordinance. The directors resolved to prepare these financial statements that comply with HKFRSs. The directors have acknowledged that, to achieve fair presentation of the financial statements, it may be necessary for management to provide disclosures beyond those specifically required by HKFRSs.

(c) Basis of measurement

The measurement bases used in preparing these financial statements is historical cost convention.

(d) Going concern

The financial statements have been prepared on the basis that the company is a going concern.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Adoption of new and revised HKFRSs

In current year, the company has adopted all of the new and revised standards and interpretations issued by the HKICPA that are relevant to its operations and effective for current accounting period of the company. The adoption of these new and revised standards and interpretations has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Standards and interpretations not yet effective

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the current accounting period of the company and have not been adopted in these financial statements. The directors anticipate that the adoption of these amendments, new standards and interpretations in future periods is unlikely to have a significant impact on the company's results of operations and financial position.

(b) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is provided to write off the cost of plant and equipment, less their estimated residual value, if any, using the straight-line method at the following rates per annum:

Furniture and fixtures	20%
Office equipment	20%
Office renovation	20%
Computer software	20%

(c) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rental applicable to such operating leases are charged to surplus or deficit on the straight-line basis over the period of the lease.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Impairment

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 any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to surplus or deficit in the year in which the reversals are recognised.

(e) Account and other receivables

Account and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits at banks, net of short-term bank loans and bank overdrafts which are repayable on demand.

(g) Account and other payables

Account and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which cases, they are stated at cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(i) Revenue recognition

Contribution and subsidies income are recognised on actual cash receipt basis.

Interest income is recognised on a time proportion basis by reference to the principal amounts outstanding and the interest rates applicable.

(j) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(k) Foreign currency translations

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at end of year exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. When a gain or loss on a non-monetary item is recognised directly in equity, any exchange component of that gain or loss shall be recognised directly in equity. Conversely, when a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss shall be recognised in surplus or deficit.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Related parties

(i) A person or a close member of that person's family is related to the company if that person:

(a) has control or joint control over the company;
(b) has significant influence over the company; or
(c) is a member of the key management personnel of the company or of a parent of the company.

(ii) An entity is related to the company if any of the following conditions applies:

(a) 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).
(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(c) Both entities are joint ventures of the same third party.
(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(e) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company.
(f) The entity is controlled or jointly controlled by a person identified in (i).
(g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. DIRECTORS' REMUNERATION AND OTHER MATERIAL INTERESTS

(a) Remuneration of the directors of the company disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follow:

The directors received no remuneration for their services to the company during the year (2015: Nil).

4. DIRECTORS' REMUNERATION AND OTHER MATERIAL INTERESTS

(b) Material interests of directors of the company disclosed pursuant to section 383(1)(e) of the Hong Kong Companies Ordinance and Part 4 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

During the year, the company had the following significant transactions with its relevant parties in which certain directors are also directors of these relevant parties:

Transactions	Relevant parties	Connected directors	Amount $
Subsidies income received from	Professional and Educational Services International Limited	Chin Ping Ngai, Kenneth	114,000
Sundry income received from	Trambell Limited	Yuen Hoi Pak	30,000
Donations received from	Tang Yau Shun	--	100
Donations received from	Yuen Hoi Pak	--	24,000
Donations received from	Szeto Wing Fu	--	36,000
Donations received from	Ng Cheuk Man, Derek	--	59,100

In the opinion of the directors, other than as disclosed above, the directors of the company had no material interests in those significant transactions, arrangements or contracts in relation to the company's activities entered into by the company or subsisted during the financial year.

5. TAXATION

No provision for Hong Kong Profits Tax has been provided in the financial statements as the company is exempted for taxation under section 88 of the Hong Kong Inland Revenue Ordinance by reason of being a charitable institution or trust of a public character.

6. PLANT AND EQUIPMENT

	Furniture and fixtures	Office equipment	Office renovation	Computer software	Total
	$	$	$	$	$
Cost:					
At April 1, 2014	18,625	185,821	137,538	27,410	369,394
Additions	--	1,150	--	2,868	4,018
At March 31, 2015	18,625	186,971	137,538	30,278	373,412
At April 1, 2015	18,625	186,971	137,538	30,278	373,412
Additions	--	7,880	--	10,063	17,943
At March 31, 2016	18,625	194,851	137,538	40,341	391,355
Accumulated depreciation and impairment losses:					
At April 1, 2014	16,856	161,366	110,032	18,699	306,953
Depreciation charge for the year	1,737	14,498	27,506	4,168	47,909
At March 31, 2015	18,593	175,864	137,538	22,867	354,862
At April 1, 2015	18,593	175,864	137,538	22,867	354,862
Depreciation charge for the year	32	9,104	--	4,670	13,806
At March 31, 2016	18,625	184,968	137,538	27,537	368,668
Carrying amount:					
At April 1, 2014	1,769	24,455	27,506	8,711	62,441
At March 31, 2015	32	11,107	--	7,411	18,550
At April 1, 2015	32	11,107	--	7,411	18,550
At March 31, 2016	--	9,883	--	12,804	22,687

7. AMOUNT DUE TO A RELATED COMPANY

The amount due to a related company is unsecured, interest free and has no fixed repayment term.

8. RECONCILIATION OF SURPLUS/(DEFICIT) FOR THE YEAR TO NET CASH (USED IN)/ FROM OPERATING ACTIVITIES

	2016 $	2015 $
Surplus/(Deficit) for the year	185,384	(42,672)
Adjustments for:		
Depreciation	13,806	47,909
Interest income	(175)	(160)
Operating surplus before working capital changes	199,015	5,077
Decrease/(Increase) in prepayments and deposits	128,693	(128,722)
(Decrease)/Increase in accruals	(302,441)	307,180
Decrease in receipts in advance	(110,835)	(13,740)
(Decrease)/Increase in amount due to a related company	(193,716)	140,661
Net cash (used in)/from operating activities	(279,284)	310,456

9. RELATED PARTY TRANSACTIONS

Significant related party transactions during the year not otherwise disclosed in these financial statements are as follows:

	2016 $	2015 $
Subsidies income received from a related company	114,000	48,000
Sundry income received from a related company	30,000	90,000
Donations received from directors	119,200	178,600

The above transactions were carried out in the normal course of the company's operation.

10. OPERATING LEASE COMMITMENTS

At March 31, 2016, the company had commitments for future minimum lease payments in respect of land and buildings under non-cancellable operating leases which fall due as follows:

	2016 $	2015 $
Within 1 year	55,000	264,000
After 1 year but within 5 years	--	55,000
	55,000	319,000

11. FINANCIAL RISK MANAGEMENT

The company's activities are exposed to a variety of financial risks as summarised below:

(a) Interest rate risk

As the company has no significant interest-bearing liabilities, it exposes to interest rate risk primarily to the bank deposits. In the opinion of directors, the interest rate risk is minimal.

(b) Foreign exchange risk

Most of the company's monetary assets and liabilities are denominated in Hong Kong dollars, and the company conducted its operation transactions principally in Hong Kong dollars. Therefore, the foreign exchange risk is not significant.

(c) Credit risk

The company is not subject to significant credit risk.

11. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk

The company has policies to maintain continuity of funding to meet its liabilities. In the opinion of directors, the company has a solid financial position, and the exposure to liquidity risk is minimal.

(e) Capital management

The company's primary objectives when managing capital are to safeguard the company's ability to continue as a going concern, so that it can continue to provide benefits for its stakeholders.

The company regularly reviews and manages its capital structure and makes adjustments to the capital structure in light of changes in economic conditions.

The capital comprises all components of funds and reserves, and the company's management are of the opinion that they have monitored the capital under satisfactory level for the year.