

HONG KONG FILM ART ALLIANCE LIMITED
香港影藝協會有限公司

Reports and Financial Statements

For the year ended 30 November 2024

G KONG FILM ART ALLIANCE LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2024**

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HONG KONG FILM ART ALLIANCE LIMITED

REPORT OF DIRECTORS

The directors present hereby the report and the audited financial statements of Hong Kong Film Art Alliance Limited (the "Company") for the year ended 30 November 2024.

Principal activities

The principal activity of the Company was to provide production house services during the year.

Results and appropriations

The results of the Company for the year ended 30 November 2024 are set out in the income and expenditure statement on page 6. The state of affairs of the Company as at 30 November 2024 are set out in the statement of financial position on page 7.

Directors

The directors of the Company who held offices during the year and up to the date of this report is as follows:

HO Siu Fan
CHANG Yuet Ying

In accordance with Article of Association, the term of office shall be two years and be eligible for re-election.

Business review

The Company is eligible for the reporting exemption. Therefore, according to section 388(3)(a) of the Hong Kong Companies Ordinance ("CO"), it was exempted to prepare a business review as required by the Schedule 5 of the CO (Cap. 622) for the financial year.

Directors' interests in transactions, arrangements and contracts that are significant in relation to the Company's business

No contracts of significance in relation to the Company's business to which the Company was a party and in which the directors 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.

Directors' interests in the shares, and debentures of the Company or any specified undertaking of the Company

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 the acquisition of shares in, or debentures of, the Company or any other body corporate.

HONG KONG FILM ART ALLIANCE LIMITED

REPORT OF DIRECTORS – continued

Other matters

At the date of the report, the directors are not aware of any circumstances not otherwise dealt with in this report or annexed financial statements which would render any amount stated in the financial statements misleading.

Directors' responsibilities

The Companies Ordinance requires us to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the comprehensive income or loss of the Company for the year. In preparing those financial statements, I:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable;
- state the reasons for any significant departure from applicable accounting standards in Hong Kong;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable us to ensure that the financial statements comply with the Companies Ordinance. I am also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Business review

The Company is eligible for the reporting exemption. Therefore, according to section 388(3)(a) of the Hong Kong Companies Ordinance ("CO"), it was exempted to prepare a business review as required by the Schedule 5 of the CO (Cap. 622) for the financial year.

Auditor

A resolution will be proposed at the forthcoming annual general meeting of the Company to reappoint IPA CPA Limited, Certified Public Accountants, as auditor of the Company.

On behalf of the Board of Director



On behalf of the board

Date:

26 AUG 2025



IPA CPA LIMITED
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF HONG KONG FILM ART ALLIANCE LIMITED

香港影藝協會有限公司

(incorporated in Hong Kong with limited guarantee)

Opinion

We have audited the financial statements of Hong Kong Film Art Alliance Limited (the "Company") set out on pages 6 to 10, which comprise the statement of financial position as at 30 November 2024, and the income and expenditures statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements of the Company for the year ended 30 November 2024 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 the 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 SME-FRS 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.

Other information

The directors are responsible for other information. The other information comprises the directors' report but does not include the financial statements and the auditor's report thereon, which I obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusions thereon.

In connection with the 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 my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

INDEPENDENT AUDITOR'S REPORT - continued

TO THE MEMBER OF HONG KONG FILM ART ALLIANCE LIMITED

香港影藝協會有限公司

(incorporated in Hong Kong with limited guarantee)

Responsibilities of Directors of 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 Directors' 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.

The directors are responsible for overseeing the Company's financial reporting process.

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. 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 the 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 committee members.

INDEPENDENT AUDITOR'S REPORT - continued

TO THE MEMBER OF HONG KONG FILM ART ALLIANCE LIMITED

香港影藝協會有限公司

(incorporated in Hong Kong with limited guarantee)

Auditor's Responsibilities for the Audit of the Financial Statements – continued

- 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 I conclude that a material uncertainty exists, I am required to draw attention in the 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 this auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

I communicate with the directors 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 the audit.



IPA CPA Limited

Certified Public Accountants

Hong Kong

Date: 27 AUG 2025

Yeung Chi Fai

Practising Certificate Number P06718

HONG KONG FILM ART ALLIANCE LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2024

	Notes	2024 HK\$	2023 HK\$
Income	3	470,248	2,413,688
Direct cost		(3,650)	(1,280,296)
Gross profits		<u>466,598</u>	<u>1,133,392</u>
Other income	3	27	-
Administrative expenses		(206,148)	(1,420,358)
Total other operating expenses		<u>(206,148)</u>	<u>(1,420,358)</u>
Surplus/(deficit) before taxation	4	260,477	(286,966)
Taxation	5	-	-
Surplus/(deficit) for the year		<u>260,477</u>	<u>(286,966)</u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

KONG FILM ART ALLIANCE LIMITED

STATEMENT OF FINANCIAL POSITION AT 30 NOVEMBER 2024

	Notes	2024 HK\$	2023 HK\$
CURRENT ASSETS			
Other receivables		2,000,000	-
Cash and cash equivalents		<u>1,521,070</u>	<u>12,390</u>
		3,521,070	12,390
CURRENT LIABILITIES			
Other payables and accrual expenses		8,500	287,167
Receipt in advance		3,521,070	-
Amount due to a director	7	<u>35,644</u>	<u>29,844</u>
		3,565,214	317,011
NET CURRENT LIABILITIES		(44,144)	(304,621)
NET LIABILITIES		(44,144)	(304,621)
EQUITY			
Accumulated deficits		<u>(44,144)</u>	<u>(304,621)</u>
TOTAL EQUITY		<u>(44,144)</u>	<u>(304,621)</u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

Approved by committee member of the Company:



HO Siu Fan



CHANG Yuet Ying

Date:

26 AUG 2025

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2024**

1. General

Hong Kong Film Art Alliance Limited (the "Company") is a private limited guarantee company incorporated in Hong Kong with registered office at Flat E, 18/F, Block 2, Kingswin Industrial Building, 32 – 50 Lei Muk Road, Kwai Chung, New Territories, Hong Kong. The Company was to provide production house services during the year.

The financial statements are presented in Hong Kong dollars ("HK\$"), unless otherwise stated.

2 Basis of preparation and accounting policies

The Company qualifies for the reporting exemption as a small private 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 ("HKICPA").

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.

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

2.1 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:

- (i) Donation and subsidies are recognised when the it is received;
- (ii) Tuition fees are recognised on the accrual basis and
- (iii) Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective interest rate applicable.

2.2 Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of plant and equipment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognised for the asset in prior years.

2.3 Current tax

Income tax expense represents the sum of current tax payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2 Basis of preparation and accounting policies – continued

2.4 Other payables and accrued expenses

Other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Accrued expenses initially recognized as fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2.5 Share capital

Ordinary shares are classified as equity.

2.6 Related parties

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) 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).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one 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 reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) 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).

HONG KONG FILM ART ALLIANCE LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2024

3 Revenue and other income

	2024 HK\$	2023 HK\$
An analysis of revenue is disclosed as below:		
Service fee income	470,248	2,413,688
Bank interest income	27	-
Total other income	27	-
Total revenue and other income	470,275	2,413,688

4 Surplus/(deficit) from operations before taxation

	2024 HK\$	2023 HK\$
Surplus/(deficit) from operations before taxation is arrived at after charging:		
- Audit fee	7,000	5,000
- Total staff cost	79,000	504,000
- Staff salaries	76,000	489,000
- Mandatory provident fund	3,000	15,000

5 Income tax expenses

Hong Kong profits tax has been provided at the rate of 8.25% on estimated assessable profits up to HK\$2,000,000 and 16.5% on any part of estimated assessable profits over HK\$2,000,000 arising in Hong Kong during the year ended 30 November 2024 and 2023. However, no Hong Kong Profits Tax has been provided as the Company has no assessable income during the year.

6 Director's emoluments

Emoluments of the Company's director disclosed pursuant to section 383 of the Companies Ordinance are as follows:-

	2024 HK\$	2023 HK\$
Fees	-	-
Other emoluments	-	-
	-	-

7 Amount due to a director

The amount due to a director is unsecured, interest-free and have no fixed terms of repayment.

8 Contingent liability

There is no contingent liability as at 30 November 2024.

9 Approval of financial statements

The financial statements were approved for issue by the Committee member on

26 AUG 2025

HONG KONG FILM ART ALLIANCE LIMITED
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2024
(FOR MANAGEMENT PURPOSE ONLY)

	2024 HK\$	2023 HK\$
Service income	470,248	2,413,688
Cost of services	(3,650)	(1,280,296)
Gross profits	<u>466,598</u>	<u>1,133,392</u>
Bank interest income	27	-
Accounting	(1,500)	(1,000)
Advertising and marketing	-	(100,000)
Annual return fee	(105)	(105)
Audit fee	(14,680)	(5,000)
Bank charges	(27)	(450)
Business registration fee	(2,200)	(2,150)
Commission fee	(42,000)	(377,500)
Company secretarial fee	(885)	(1,094)
IT and computer	-	(20,262)
Mandatory provident fund	(3,000)	(15,000)
Office expenses	(1,951)	(2,604)
Postage and courier	-	(1,263)
Printing and stationery	-	(10,643)
Promotion	-	(124,000)
Staff salaries	(76,000)	(489,000)
Telephone and network	-	(300)
Travelling expenses	(63,800)	(264,987)
Website and hosting	-	(5,000)
Total operating expenses	<u>(206,148)</u>	<u>(1,420,358)</u>
Surplus/(deficit) from operations before tax	<u>260,477</u>	<u>(286,966)</u>