

HONG KONG, CHINA AUTOMOBILE ASSOCIATION

中國香港汽車會

(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

GENERAL COMMITTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

黃龍德會計師事務所有限公司

香港執業會計師、英國特許會計師

PATRICK WONG C.P.A. LIMITED

Certified Public Accountants (Practising), Hong Kong Chartered Accountants



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(All amounts in Hong Kong dollars unless otherwise stated)

HONG KONG, CHINA AUTOMOBILE ASSOCIATION
中國香港汽車會
 (A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

GENERAL COMMITTEE'S REPORT

The General Committee submits herewith the annual report together with the audited financial statements for the year ended 31 December 2023.

CHANGE OF ASSOCIATION NAME

By a special resolution passed on 11 May 2023, the name of the Association has changed from Hong Kong Automobile Association「香港汽車會」 to Hong Kong, China Automobile Association「中國香港汽車會」.

PRINCIPAL ACTIVITIES

The principal activities of Hong Kong, China Automobile Association (the “Association”) are to represent the interests of motorists, provide automobile related services to its members and organize motor vehicle sporting events.

RESULTS

The financial performance of the Association for the year ended 31 December 2023 and its financial position at that date are set out in the financial statements on pages 5 to 29.

GENERAL COMMITTEE MEMBERS

The General Committee members of the Association during the period beginning with the end of the financial year and ending on the date of this report are as follows:-

Mr. CHEUNG Kim Hung Julian	(retired and re-elected on 21 September 2023)
Ms. CHEUNG Ming Wai	(retired on 21 September 2023)
Mr. CHEUNG Pak Kit Simon	
Mr. CHUI Ka Kam	(elected on 21 September 2024)
Dr. HOU Lee Tsun Laurence	(retired on 21 September 2024)
Mr. LAI Chi Ho	(retired and re-elected on 21 September 2023)
Mr. LAI Cheuk Kit	(elected on 21 September 2023)
Mr. LAU Chi Yung	(elected on 21 September 2024)
Mr. LAU Ho Kit Ivan	(retired on 21 September 2023)
Mr. LEE Ying Kin	(retired on 21 September 2024)
Dr. LEE Yiu Pui	
Mr. LIU Keung	(retired and re-elected on 21 September 2024)
Mr. MA Ching Yeung Philip	(appointed on 17 October 2023 and retired and re-elected on 21 September 2024)
Mr. MAK Hing Tak	(retired and re-elected on 21 September 2024)
Mr. NG Wai Cheong	
Mr. YEE Wai Ka Frank	(elected on 21 September 2024 and resigned on 15 July 2025)
Mr. YU Kam Kee Lawrence	(retired on 21 September 2024)
Mr. YU Siu Fung Frank	(elected on 21 September 2024)
Mr. FUNG King Leung	(retired and re-elected on 21 September 2023)
Mr. SHIU Wai Ho	(retired on 21 September 2024)
Mr. SIN Ho Ming	(retired and re-elected on 21 September 2023)

In accordance with Articles 22.2 and 22.3 of the Association's Articles of Association, Ms. CHEUNG Ming Wai, Dr. HOU Lee Tsun Laurence, Mr. LEE Ying Kin, Mr. YU Siu Fung Frank and Mr. SHIU Wai Ho will retire in coming annual general meeting by rotation, and being eligible, offer themselves for re-election.

HONG KONG, CHINA AUTOMOBILE ASSOCIATION

中國香港汽車會

(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

GENERAL COMMITTEE'S REPORT
(CONTINUED)

GENERAL COMMITTEE MEMBERS' INTERESTS IN TRANSACTIONS, ARRANGEMENT AND CONTRACTS OF SIGNIFICANCE

No transaction, arrangement and contract of significance to which the Association was a party and in which a General Committee member of the Association had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

BUSINESS REVIEW

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

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in section 469 of the Companies Ordinance) for the benefit of the General Committee members of the Association is currently in force and was in force throughout the year.

AUDITOR

The auditors, Patrick Wong C.P.A. Limited, Chartered Accountants, Certified Public Accountants (Practising), retire at the Annual General Meeting but, being eligible, offer themselves for re-appointment.

FOR AND ON BEHALF OF THE GENERAL COMMITTEE

MAK Hing Tak
Chairman

Hong Kong, 1 August 2025

PATRICK WONG C.P.A. LIMITED

Certified Public Accountants (Practising), Hong Kong Chartered Accountants

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黃龍德會計師

董事 Directors

黃龍德執業資深會計師
銅紫荊星章、太平紳士

黃俊碩執業資深會計師
立法會議員

劉旭明執業資深會計師

曾卓鋒執業資深會計師

PATRICK WONG, PhD, BBS, JP

FCPA(Practising), FCA, FCCA, FAIA, MSCA, FCG, HKFCG, CGP, CTA(HK), FTIHK, FHKIoD

HON. WONG CHUN SEK, EDMUND

FCPA(Practising), FCA(ICAEW), FCA(ANZ), FCCA, FCG, HKFCG, CGP, FSCA, FTIHK, BComm(Hons), MSc, MPA, MCG, MBA

LAU YUK MING, HAROLD

FCPA(Practising), MSCA

TSANG CHEUK FUNG, ANDY

FCPA(Practising), ACA, MSCA, BBA(Hons), BEng(Hons)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HONG KONG, CHINA AUTOMOBILE ASSOCIATION 中國香港汽車會

(INCORPORATED IN HONG KONG AS A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)

Opinion

We have audited the financial statements of **Hong Kong, China Automobile Association** ("Association") set out on pages 5 to 29, which comprise the statement of financial position as at 31 December 2023, and the income and expenditure account, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with HKFRS Accounting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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 Association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The General Committee is responsible for the other information. The other information comprises the information included in the General Committee's report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of General Committee and those charged with governance for the financial statements

The General Committee is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Companies Ordinance, and for such internal control as the General Committee determines 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 General Committee is responsible for assessing the Association'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 General Committee either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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

(to be continued, P.T.O.)

聯營公司：

Associated :

龍德商務顧問有限公司
LT Business Consultants Limited

澳門黃林梁郭有限公司
Macau Wong Lam Leung & Kwok Limited

江門市龍德諮詢服務有限公司
Jiangmen Longde Consultants Limited





INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HONG KONG, CHINA AUTOMOBILE ASSOCIATION
中國香港汽車會

(INCORPORATED IN HONG KONG AS A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)
(CONTINUED)

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 Companies Ordinance, and for no other purposes. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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, 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Committee.
- Conclude on the appropriateness of the General Committee's 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PATRICK WONG C.P.A. LIMITED
黃龍德會計師事務所有限公司
Certified Public Accountants

劉旭明, 香港執業資深會計師
LAU YUK MING HAROLD
FCPA (Practising), MSCA
Certified Public Accountant (Practising), Hong Kong
Practising Certificate Number: P05468

Hong Kong, 1 August 2025

Ref : H716/A/PW/HL/1077/1587/486

HONG KONG, CHINA AUTOMOBILE ASSOCIATION
中國香港汽車會
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 DECEMBER 2023

	<u>Notes</u>	<u>2023</u> \$	<u>2022</u> \$
Income			
Membership fee			
Subscription fees		1,738,730	1,727,217
Entrance fees		86,020	37,400
		-----	-----
Total membership fee		1,824,750	1,764,617
		-----	-----
Service income			
Motor sports and drives income		1,568,473	697,556
Technical and breakdown services and sales income		1,406,980	1,378,876
Auto transport income		500	57,965
Insurance commission		520,432	477,062
Project income		722,242	-
		-----	-----
Total service income		4,218,627	2,611,459
		-----	-----
Marketing income		217,620	241,930
		-----	-----
Other income			
Interest income		128,951	27,167
Corporate activities income		570,500	436,312
Other motor sports activities		8,900	-
Sundry income		278,907	1,659,723
Investment income		12,819	8,217
		-----	-----
Total other income		1,000,077	2,131,419
		-----	-----
Total income		7,261,074	6,749,425
		-----	-----

The notes on pages 10 to 29 form an integral part of these financial statements.
Independent Auditor's Report - Pages 3 and 4

HONG KONG, CHINA AUTOMOBILE ASSOCIATION
中國香港汽車會
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INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 DECEMBER 2023
(Continued)

	<u>Notes</u>	<u>2023</u> \$	(Restated) <u>2022</u> \$
Less : Expenditure			
Advertising and promotion		44,341	127,728
Affiliation fee		93,092	79,791
Auditor's remuneration		68,000	49,500
Bank charges		41,984	25,765
Business registration fee		4,628	1,837
Cleaning		11,833	43,929
Cost of sales		116,378	104,156
Depreciation		304,868	330,459
Entertainment		23,222	18,423
Exchange loss, net		129,434	6,308
General committee expenses		-	14,854
Hotline service expense		168,000	168,000
Insurance		220,707	165,278
IT expenses		207,832	200,067
Other motor sports activities		10,635	-
Postage		15,348	21,043
Printing and stationery		150,116	77,013
Professional fee		43,544	12,800
Provident fund contribution		174,290	171,501
Recruitment expenses		9,425	13,550
Rent and rates		422,909	278,974
Repairs and maintenance		88,895	73,797
Salary and bonus		4,159,804	4,210,293
Staff training and welfare		3,789	6,804
Sundry expenses		61,288	65,034
Towing		292,150	339,058
Travelling		5,824	3,809
Tunnel fee		4,265	5,843
Uniform		1,489	1,900
Utilities charges		145,537	132,650
Vehicle expense		72,235	61,009
Total expenditure		7,095,862	6,811,173
Surplus/(deficit) before tax	6	165,212	(61,748)
Income tax expense	7	(24,176)	(11,701)
Surplus/(deficit) for the year		141,036	(73,449)

Surplus/(deficit) for the year represents the total comprehensive income/(expense) for the year presented, accordingly, no statement of comprehensive income is presented.

The notes on pages 10 to 29 form an integral part of these financial statements.
Independent Auditor's Report - Pages 3 and 4

HONG KONG, CHINA AUTOMOBILE ASSOCIATION
中國香港汽車會
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STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2023

	<u>Notes</u>	<u>2023</u> \$	<u>2022</u> \$
Non-current asset			
Plant and equipment	9	1,526,081	1,830,949
Current assets			
Inventories	10	51,532	78,179
Accounts and other receivables	11	935,884	675,029
Financial assets at fair value through profit or loss	12	174,972	174,972
Bank balances and cash		8,513,721	9,877,325
		9,676,109	10,805,505
Deduct:-			
Current liabilities			
Accounts and other payables	13	4,453,062	6,052,538
Income tax payable	7	35,877	11,701
		4,488,939	6,064,239
Net current assets		5,187,170	4,741,266
		-----	-----
Total assets less current liabilities		6,713,251	6,572,215
Non-current liability			
Provision for long service payment		(189,578)	(189,578)
		-----	-----
Net assets		6,523,673	6,382,637
		=====	=====
Funds			
Accumulated surplus		6,453,673	6,312,637
General reserve		70,000	70,000
		-----	-----
Total funds		6,523,673	6,382,637
		=====	=====

APPROVED BY:-

MAK Hing Tak
General Committee member

NG Wai Cheong
General Committee member

The notes on pages 10 to 29 form an integral part of these financial statements.
Independent Auditor's Report - Pages 3 and 4

HONG KONG, CHINA AUTOMOBILE ASSOCIATION
中國香港汽車會
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STATEMENT OF CHANGES IN FUNDS
 YEAR ENDED 31 DECEMBER 2023

	<u>General reserve</u> \$	<u>Accumulated surplus</u> \$	<u>Total</u> \$
Balance at 01/01/2022	70,000	6,386,086	6,456,086
Deficit for the year	-	(73,449)	(73,449)
	-----	-----	-----
Balances at 31/12/2022 and at 01/01/2023	70,000	6,312,637	6,382,637
Surplus for the year	-	141,036	141,036
	-----	-----	-----
Balance at 31/12/2023	70,000	6,453,673	6,523,673
	=====	=====	=====

The notes on pages 10 to 29 form an integral part of these financial statements.
 Independent Auditor's Report - Pages 3 and 4