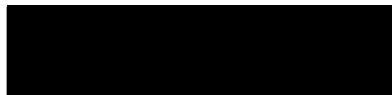


ALTERWAY LIMITED
Equipment Improvement Project
Project number: SFDF – EIP0003

REPORTS AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 APRIL 2021
TO 31 MARCH 2022



ALTERWAY LIMITED
Equipment Improvement Project

Project number: SFDF – EIP0003

REPORTS AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 APRIL 2021
TO 31 MARCH 2022

<u>CONTENTS</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
INCOME AND EXPENDITURE STATEMENT	3
BALANCE SHEET	4
STATEMENT OF CASH FLOWS	5
NOTES TO THE FINANCIAL STATEMENTS	6-7

Telephone: [REDACTED]
Email: [REDACTED]

**INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS OF
ALTERWAY LIMITED**

奕道有限公司

(Incorporated in Hong Kong with limited liability)

Pursuant to the Agreement made between the Government of the Hong Kong Special Administrative Region ("HKSAR") and Alterway Limited, and the Sustainable Fisheries Development Fund ("SFDF") - Application Guidelines in respect of the SFDF project under the SFDF dated 27 March 2019 ("Agreement"), we have undertaken a reasonable assurance engagement on the final accounts of Equipment Improvement Project (the "Project") (Project number: SFDF – EIP0003) as set out on pages 3 to 7 which comprise the income and expenditure statement, balance sheet, statement of cash flow for the period from 1 April 2021 to 31 March 2022, and notes to the financial statements ("Project Accounts").

Director's Responsibilities

Pursuant to the Agreement, the directors are to comply with the requirements (including the requirements to keep proper books and records and to prepare proper Project Accounts), and all the terms and conditions of SFDF, as specified in the following documents:

- (a) the Agreement in respect of the Project and the appendices thereto (which include the Project proposal);
- (b) the relevant "SFDF - Application Guidelines"¹ referred to in the Agreement; and
- (c) all instructions and correspondences issued by the Director of Agriculture, Fisheries and Conservation ("DAFC") to Alterway Limited in respect of the Project.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Telephone: [REDACTED]
Email: [REDACTED]

**INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS OF
ALTERWAY LIMITED
奕道有限公司
(Incorporated in Hong Kong with limited liability)**

Auditor's Responsibilities

Our responsibility is to express an opinion on the Project Accounts, based on our work performed and to report our opinion.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the HKICPA and with reference to the Notes for Auditors of Recipient Organisations issued in August 2020 by the SFDF Secretariat (the "Notes"). We have planned and performed our work to obtain reasonable assurance for giving our opinion below.

Our engagement includes performing the procedures set out in the Notes and examination, on a test basis, of evidence supporting the requirements (including the requirements to keep proper books and records and to prepare proper Project Accounts), and all the terms and conditions of SFDF, as specified in the documents mentioned in the Directors' Responsibilities section have been complied with, in all material respects.

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

Opinion

Based on the foregoing, in our opinion, Alterway Limited has complied with, in all material respects, the requirements set by DAFC (including the requirements to keep proper books and records and to prepare proper Project Accounts), and all the terms and conditions of SFDF, as specified in the documents mentioned in the Directors' Responsibilities section.

Intended Users and Purpose

This report is intended for filing with the Government of the HKSAR pursuant to the Agreement and is not intended to be, and should not be, distributed to or used by, anyone for any other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of our report.

[REDACTED]

[REDACTED]

Certified Public Accountants
[REDACTED], Audit engagement partner
Practising Certificate Number [REDACTED]
Hong Kong, 29 April 2022

ALTERWAY LIMITED
Equipment Improvement Project

Project number: SFDF – EIP0003

INCOME AND EXPENDITURE STATEMENT

FOR THE PERIOD FROM 1 APRIL 2021
TO 31 MARCH 2022

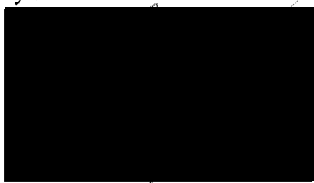
	Note	1/4/2021 to 31/3/2022 HK\$	1/4/2020 to 31/3/2021 HK\$
<u>INCOME</u>			
Government grant		187,930	187,931
Fisherman contribution		-	30,000
Bank interest income		1	4
Sundry income		19,984	35,578
		<u>207,915</u>	<u>253,513</u>
<u>EXPENDITURE</u>			
Auditing and accounting fees		20,000	20,000
Depreciation		8,939	8,938
Insurance		1,982	2,646
Miscellaneous		20,803	20,235
MPF employer contribution			
- Project officer		12,000	11,800
- Executive officer		1,380	1,954
Purchases of fisherman equipment		-	1,500,587
Stationary		12,043	12,529
Transportation		11,980	13,108
Wages and salaries			
- Project officer		240,000	236,000
- Executive officer		27,600	39,085
		<u>356,727</u>	<u>1,866,882</u>
Deficit for the period	3	(148,812)	(1,613,369)
Surplus brought forward		<u>197,380</u>	<u>1,810,749</u>
Surplus carry forward		<u><u>48,568</u></u>	<u><u>197,380</u></u>


ALTERWAY LIMITED
Equipment Improvement Project
 Project number: SFDF – EIP0003


BALANCE SHEET
 AT 31 MARCH 2022


		2022 <u>HK\$</u>	2021 <u>HK\$</u>
Non-current assets			
Property, plant and equipment	4	-	8,939
Current Assets			
Bank and cash balances		53,784	188,441
		<u>53,784</u>	<u>188,441</u>
Current liabilities			
Other payables		5,216	-
		<u>5,216</u>	<u>-</u>
Net current assets		<u>48,568</u>	<u>188,441</u>
NET ASSETS		<u><u>48,568</u></u>	<u><u>197,380</u></u>
Reserves			
Surplus funds		<u>48,568</u>	<u>197,380</u>

Approved by :




 Director




 Director

ALTERWAY LIMITED
Equipment Improvement Project
Project number: SFDF – EIP0003

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 1 APRIL 2021
TO 31 MARCH 2022

	1/4/2021 to 31/3/2022 <u>HK\$</u>	1/4/2020 to 31/3/2021 <u>HK\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit for the period	(148,812)	(1,613,369)
Depreciation	8,939	8,938
Interest income	(1)	(4)
Operating cash flows before working capital changes	<u>(139,874)</u>	<u>(1,604,435)</u>
Change in prepayments, deposits and others receivable	-	462,117
Change in other payables	5,216	-
Net cash used in operating activities	<u>(134,658)</u>	<u>(1,142,318)</u>
Cash flows from investing activities		
Interest received	<u>1</u>	<u>4</u>
Net cash generated from investing activities	<u>1</u>	<u>4</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(134,657)	(1,142,314)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>188,441</u>	<u>1,330,755</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>53,784</u></u>	<u><u>188,441</u></u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	<u>53,784</u>	<u>188,441</u>
	<u><u>53,784</u></u>	<u><u>188,441</u></u>

ALTERWAY LIMITED
Equipment Improvement Project

Project number: SFDF – EIP0003

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 APRIL 2021
TO 31 MARCH 2022

1. GENERAL INFORMATION

The Equipment Improvement Project (the “Project”) (Project number: SFDF – EIP0003) was created pursuant to the Agreement made between the Government of the Hong Kong Special Administrative Region (“HKSAR”) and Alterway Limited, and the Sustainable Fisheries Development Fund (“SFDF”) - Application Guidelines in respect of the SFDF project under the SFDF dated 27 March 2019 (“Agreement”),

The Project is principally engaged in assisting the fisherman to improve their working tools and equipments in Hong Kong. Its registered office and principal place of activities is at Flat A, 4/F, High Win Factory Building, 47 Hoi Yuen Road, Kwun Tong, Kowloon.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention.

The significant accounting policies applied in the preparation of these financial statements are set out below.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Project becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Project transfers substantially all the risks and rewards of ownership of the assets; or the Project neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in the income and expenditure statements.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the income and expenditure statements.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Project’s cash management are also included as a component of cash and cash equivalents.

ALTERWAY LIMITED
Equipment Improvement Project

Project number: SFDF – EIP0003

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 APRIL 2021

TO 31 MARCH 2022

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Project and the amount of revenue can be measured reliably.

Income from government grant and fisherman contribution are recognised on cash received basis.

Interest income is recognised on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable.

3. Deficit for the period

Deficit for the period is arrived at after charging the followings:

	2022	2021
	<u>HK\$</u>	<u>HK\$</u>
Directors' emoluments		
- As directors	-	-
- For management	240,000	236,000
Retirement benefits scheme contribution	13,380	13,754
Salaries, bonus and allowances excluding directors' emoluments	27,600	39,085
Total staff costs	<u>280,980</u>	<u>288,839</u>
Auditor's remuneration	<u>20,000</u>	<u>20,000</u>

4. PROPERTY, PLANT AND EQUIPMENT

	Furnitures and equipment <u>HK\$</u>
<u>Cost</u>	
At 1 April 2021 and at 31 March 2022	<u>26,815</u>
<u>Accumulated depreciation</u>	
At 1 April 2021	17,876
Provided for the period	8,939
At 31 March 2022	<u>26,815</u>
<u>Carrying amount</u>	
At 31 March 2022	<u>-</u>
At 31 March 2021	<u>8,939</u>

5. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 29 April 2022.

----- End of Notes -----