

TO: GOVERNMENT SECRETARIAT HOME AFFAIRS BUREAU
12/F, West Wing, Central Government Offices,
2 Tim Mei Avenue,
Tamar, Hong Kong.

Maritime Silk Road Society Limited (the “Company”)
Certified Statement of Income and Expenditure for Funding Programme of
2019 Operation Zhang Qian (the “Programme”)
For the period from 1 January 2019 to 21 September 2019
Ref no.: HAB/CA1/7-5/6(2019)

We have performed the procedures agreed with the Executives of the Company and enumerated below with respect to the Statements of Income and Expenditure of the Company for the Programme set out on page 5. Terms used in this report are the same as those defined in Letter dated 5 July 2019 and related supplementary documents were entered into between the Home Affairs Bureau (the “HAB”) and the Company unless otherwise stated below.

It is the responsibility of the Company’s executives to keep proper books and records of the Company and to monitor relevant internal controls and to prepare the Statement of Income and Expenditure for the Programme based upon the books and records of the Company. Our engagement was undertaken in accordance with Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information” with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The procedures were performed solely to assist you in verifying the amount of income and expenditure for the Programme to HAB.

The agreed-upon procedures are summarized as follows:

1. We obtained and checked the grant received from HAB in the Statement of Income and Expenditure and compared the total balance of the grant received from HAB to the ledger.

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The agreed-upon procedures are summarized as follows (continued):

2. We obtained and checked the income from participants in the Statement of Income and Expenditure and compared the total balance of the income from participants to the ledger.
3. We obtained and checked the income reimbursed from the Company in the Statement of Income and Expenditure and compared the total balance of the fund from the Company to its bank's record.
4. We obtained and checked the grant payable to HAB in the Statement of Income and Expenditure and compared the total balance of the fund payable to HAB to the ledger.
5. We obtained and checked the expenditure of the internships in the Statement of Income and Expenditure and compared the total balance of the expenditure from the Programme to the ledger.
6. We obtained and checked the expenditure of staff recruitment in the Statement of Income and Expenditure and compared the total balance of the expenditure from staff remuneration to the ledger.
7. We obtained and checked the addition of the expenditure in relation to promotion and related activities in the Statement of Income and Expenditure and compared the total balance of the expenditure in relation to promotion and related activities to the ledger.
8. We obtained and checked the amount in fee quotations of the expenditures in the Statement of Income and Expenditure and compared the quotation documents to the quotation record which is required by Notes 37 (a) and (b) of the Guideline of Hosting Internship Programme and Use of Fund under the Programme as prescribed by HAB.
9. We obtained the Statement of Income and Expenditure and checked the relevant income and expenditure are stated in accordance with the Guideline of Hosting Internship Programme and Use of Fund under the Programme as prescribed by HAB.

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We report our findings below:

1. With respect to procedure 1, we found that the checked items were correct, and the total balance was in agreement, and in funding requirement as prescribed by Funding Notice of the Scheme and the Guideline of Hosting Internship Programme and Use of Fund under the Programme.
2. With respect to procedure 2, we found that the relevant income was correct and the total balance was in agreement.
3. With respect to procedure 3, we found that the reimbursement was correct and the total balance was in agreement with the Company's bank records.
4. With respect to procedure 4, we found that the grant payable to HAB was correct, the total balance was in agreement, and the total payable balance was in funding requirement as prescribed by Funding Notice of the Programme and the Guideline of Hosting Internship Programme and Use of Fund under the Programme.
5. With respect to procedure 5, we found that the expenditure of internships was correct, and the total balance was in agreement. The expenditure of programme was approved expenditure as prescribed by Funding Notice of the Programme and the Guideline of Hosting Internship Programme and Use of Fund under the Programme.
6. With respect to procedure 6, we found that the expenditure of staff recruitment was correct and the total balance was in agreement. The expenditure of staff recruitment was approved expenditure as prescribed by Funding Notice of the Programme and the Guideline of Hosting Internship Programme and Use of Fund under the Programme.
7. With respect to procedure 7, we found that the expenditure in relation to promotion and related activities was correct and the total balance was in agreement. The expenditure in relation to promotion and related activities was approved expenditure as prescribed by Funding Notice of the Programme and the Guideline of Hosting Internship Programme and Use of Fund under the Programme.
8. With respect to procedure 8, we found that the amount in fee quotations of the expenditures in the Statement of Income and Expenditure is in the quotation record and the quotation is fulfilled by requirement as prescribed by Funding Notice of the Programme and the Guideline of Hosting Internship Programme and Use of Fund under the Programme.



AE Majoris CPA Limited

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We report our findings below (continued):

9. With respect to procedure 9, we found that the Statement of Income and Expenditure is stated in accordance with the Guideline of Hosting Internship Programme and Use of Fund under the Programme as prescribed by HAB.

Because the above procedures do not constitute an assurance engagement made in accordance with Hong Kong Standard on Auditing, Hong Kong Standard on Review Engagements or Hong Kong Standard on Assurance Engagements issued by the HKICPA, we do not express any assurance on the Statement of Income and Expenditure for the Programme prepared by the Company. Our procedures involved the checking from the agreed upon procedures in related to the calculation of the amount of income and expenditure for the Programme to HAB with its evidence supporting, on a test basis, the amounts in the Statement of Income and Expenditure for the Programme are stated on page 5. We simply provide a report of factual findings of the above agreed-upon procedures on the said Statement of Income and Expenditure for the Programme.

Had we performed additional procedures or had we performed an assurance engagements of the financial statements in accordance with Hong Kong Standard on Auditing, Hong Kong Standard on Review Engagements or Hong Kong Standard on Assurance Engagements issued by the HKICPA, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the second paragraph of this report and is not to be used for any other purpose or to be distributed to any person not a member of management of HAB or the Company for verifying the amount of income and expenditure for the Programme. This report relates only to the items specified above and do not extend to any financial statements of the Company, taken as a whole. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

AE Majoris CPA Limited

Certified Public Accountants

Practising Director: TSUI Wing Tak

Practising Certificate No.: P05586

Hong Kong, 29 November 2019

MARITIME SILK ROAD SOCIETY LIMITED
 CERTIFIED STATEMENTS OF INCOME AND EXPENDITURE
 FOR FUNDING PROGRAMME OF
2019 OPERATION ZHANG QIAN
 FOR THE PERIOD FROM 1 JANUARY TO 21 SEPTEMBER 2019
 Reference No.: HAB/CA1/7-5/6(2019)

	Amount approved by <u>Home Affairs Bureau</u> HK\$	Amount paid by <u>the Company</u> HK\$	<u>Total</u> HK\$
INCOME			
60% grant received from Home Affairs Bureau	763,320		763,320
Grant reimbursable from Home Affairs Bureau	(171,810)		(171,810)
Cash received from Maritime Silk Road Society	-	166,171	166,171
Total income	591,510	166,171	757,681
EXPENDITURE			
Fifty students' summer programme fees			
- Accommodation, HK\$122,135			
- Round-trip tickets, HK\$161,120			
- Insurance, HK\$17,105			
- Visa fees, HK\$10,250			
- Allowances and health check, HK\$1,825	289,914	22,521	312,435
Salaries			
- 50% staff costs	180,000	81,130	261,130
- Promotion and related activities			
- Kick-off ceremony	41,596	-	41,596
- Sharing session			
Venue, HK\$114,320			
Professional video and photo-taking, HK\$5,200			
Design of backdrop, HK\$4,000			
Production of backdrop, HK\$14,000	80,000	57,520	137,520
Auditor's remuneration	-	5,000	5,000
Total expenditure	591,510	166,171	757,681
Surplus on funding programme	-	-	-

Certified true and correct on 29 November 2019 and signed by:



Wong Yin Fun
Chief Executive Officer



Tsang Kwan Ho
Executive Director