ASIAN OUTREACH HONG KONG LIMITED

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2026

MHC CPA LIMITED

Certified Public Accountants (Practising)

Hong Kong

ASIAN OUTREACH HONG KONG LIMITED (Agency code: 009)
YEAR ENDED 31 MARCH 2026

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INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF ASIAN OUTREACH HONG KONG LIMITED

We have audited the financial statement of Asian Outreach Hong Kong Limited (the "Association") for the year ended 31 March 2026 in accordance with Hong Kong Institute of Certified Public Accountants ("HKICPA"), and have issued an unmodified auditor's report thereon dated 15 October 2026.

Pursuant to the Lump Sum Grant ("LSG") Manual issued by the Social Welfare Department of the Government of the Hong Kong Special Administrative Region ("SWD"), we have been requested to issue this assurance report in connection with the Annual Financial Report ("AFR") of the Association for the year ended 31 March 2026.

Responsibilities of the Directors

In relation to this report, the directors are responsible for ensuring the AFR of the Association for the year ended 31 March 2026 is properly prepared in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD; and the use of the funds from the LSG by the Association has complied with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

Our Independence and Quality Management

We have complied with the inpendence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on funamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibly is to form a conclusion, based on our engagement, and to report our conclusion to you.

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 and with reference to Practice Note 851 (Revised), Reporting on the Annual Financial Reports of Non-governmental Organisations issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance for giving conclusion 1 and obtain limited assurance for giving conclusion 2 below.

The work undertaken in connection with this engagement is less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In relation to our conclusion 1 below, we have planned and performed such procedures as we considered necessary with reference to the procedures recommended in PN851 (Revised), to satisfy ourselves that the AFR has been properly prepared, in all material respects, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.

Auditor's Responsibility (Cont'd)

In relation to our conclusion 2 below, we have obtained an understanding in respect of the purposes of the use of the funds as specified in the LSG Manual and other instructions issued by the SWD and obtaining an understanding of the control procedures. We are not required to perform any procedures to search for instances of the use of funds from the LSG by the Association being non-complied with the specified purposes. Our work was limited to reporting non-compliances identified as a result of the procedures performed in relation to conclusion 2 and during the normal course of our work relating to conclusion 1. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Conclusion

1. In our opinion, the AFR of the Association for the year ended 31 March 2026 is properly prepared, in all material respects, in accordance with the relevant accounting and financial reporting requirements set out in the LSG Manual and other instructions issued by the SWD.

2. Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the use of the funds from the LSG by the Association has not complied, in all material respects, with the purposes as specified in the LSG Manual and other instructions issued by the SWD.

Intended Users and Purpose

This report is intended solely for submission by the Association to the SWD and is not intended to be, and should not be, used for any other purpose. We agree that a copy of this report may be provided to the SWD without further comment from us.



MHC CPA LIMITED
Certified Public Accountants (Practising)
Yeung Man Wah
Practising Certificate Number: P05386
Hong Kong
15 October 2026

ANNUAL FINANCIAL REPORT
ASIAN OUTREACH HONG KONG LIMITED (Agency code: 009)
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2025/26	2024/25
INCOME		$	$
Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	6,178,082	6,169,055
b. Provident Fund	1c	389,528	388,804
Fee Income	2	17,367	19,488
Central Items	3	-	-
Rent and Rates	4	1,696,383	1,670,953
Other Income	5	1,011,122	1,031,607
Interest Received		4,634	5,372
TOTAL INCOME		**9,297,116**	**9,285,279**
EXPENDITURE			
Personal Emoluments			
a. Salaries		5,337,086	4,488,385
b. Provident Fund	1c	351,928	294,234
c. Allowances		78,450	57,683
Sub-total	6	5,767,464	4,840,302
Other Charges	7	1,776,535	1,981,253
Central Items	3	-	-
Rent and Rates	4	1,710,452	1,705,884
TOTAL EXPENDITURE		**9,254,451**	**8,527,439**
SURPLUS FOR THE YEAR	8	**42,665**	**757,840**

The Annual Financial Report from pages 3 to 11 has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

Rev. Choy Hong Yee, Colon
NGO Head
15 October 2026

Mr. Lee Hung Hing
Board Chairperson
15 October 2026

ASIAN OUTREACH HONG KONG LIMITED (Agency code: 009)
NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2026

1. Lump Sum Grant ("LSG")

a) Basis of preparation

The Annual Financial Report (AFR) is prepared in respect of all services defined in Funding and Service Agreement (FSA) (including support services to FSA services) funded by the Social Welfare Department (SWD under the Lump Sum Grant Subvention System and also FSA services/FSA-related activities funded by Other Funds or Donations for Designated Purposes. AFR is prepared on cash basis, that is, income is recognised upon receipt of cash and expenditure is recognised when expenses are paid. Non-cash items such as depreciation, provisions and accruals have not been included in the AFR.

b) Lump Sum Grant (excluding Providing Fund)

This represents LSG (excluding Provident Fund) received for the year.

c) Provident Fund

This is Provident Fund received and contributed during the year.

Snapshot Staff are defined as those staff occupying recognised or holding against subvented posts as at 1 April 2000.

Other posts represent those staff that are employed after 1 April 2000.

The Provident Fund received and contributed for staff under the Central Items and Other Funds or Donations for Designated Purposes which are separately included as part of the income and expenditure of the relevant disclosures have been shown under Note 3 and 8. Details are analysed below:

Provident Fund Contribution	Snapshot staff HK$	6.8% and Other Posts HK$	Total HK$
Subvention received	-	389,528	389,528
Provident Fund Contribution paid during the year	-	(351,928)	(351,928)
Surplus for the year	-	37,600	37,600
Add: Surplus b/f	-	293,045	293,045
Surplus c/f	-	330,645	330,645

ASIAN OUTREACH HONG KONG LIMITED (Agency code: 009)
NOTES ON THE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2026

2. Fee Income

This represents social welfare fee income received for the year in respect of the fees and charges recognised for the purpose of subvention as set out in the LSG Subvention Manual.

3. Central Items

These are subvented service activities which are not included in LSG and are subject to their own procedures as set out in other SWD's papers and correspondence with the NGOs. The Provident Fund received and contributed for staff under the Central Items have been separately included as part of the income and expenditure of the relevant items (paragraph 5.5.4(c) of the LSG Subvention Manual). The income and expenditure of each of the Central Items are as follows:

a. Income	2025/26 HK$	2024/25 HK$
	-	-
Total	-	-

b. Expenditure	2025/26 HK$	2024/25 HK$
	-	-
Total	-	-

4. Rent and Rates

This represents the amount paid by SWD in respect of premises recognised by SWD. Expenditure on rent and rates in respect of premises not recognised by SWD have not been included in AFR.

5. Other Income

This represents all income, other than recognised fee income for subvented welfare services, received during the year in the operation of subvented services including income from other services that are incidental to the operation, programme income, etc. Other Funds or Donations for Designated Purposes may be included in AFR if they are used to finance expenditure of the FSA services / FSA-related activities and have been separately included in the relevant disclosures under the "Other Funds or Donations for Designated Purposes" column in Note 8 of the AFR.

5. Other Income (Cont'd)

The breakdown on Other Income is as follows:

Other Income	2025/26 HK$	2024/25 HK$
Programme income	922,216	882,331
Other funds or donations for designated purposes	-	58,910
Reimbursement of maternity leave pay from Labour Department	18,609	-
Miscellaneous income	70,297	90,366
Total	1,011,122	1,031,607

6. Personal Emoluments

Personal emoluments include salary, provident fund and salary-related allowance. There are no staff with annual personal emoluments more than HK$1,000,000 p.a.

7. Other Charges

This refers to expenses, other than personal emoluments, incurred in the operation and excluded expenditure for FSA services / FSA-related activities supported by Other Funds or Donations for Designated Purposes, which have been separately included in the relevant disclosures under the "Other Funds or Donations for Designated Purposes" column in Note 8 of the AFR.

The breakdown on Other Charges is as follows:

	2025/26 HK$	2024/25 HK$
Utilities	50,218	60,403
Administrative expenses	515,061	551,874
Stores and equipment	-	230,346
Repair and maintenance	209,750	172,776
Programme expenses	950,424	929,514
Transportation and travelling	6,287	4,169
Insurance	16,836	22,344
Miscellaneous	27,959	9,827
Total	1,776,535	1,981,253

8. ANALYSIS OF LUMP SUM GRANT RESERVE AND BALANCES OF OTHER SWD SUBVENTIONS

	Lump Sum Grant HK$	Other Funds or Donations for Designated Purposes HK$	Rent & Rates HK$	Total HK$
Income				
Lump Sum Grant	6,567,610	-	-	**6,567,610**
Fee Income	17,367	-	-	**17,367**
Other Income	1,011,122	59,167	-	**1,070,289**
Interest Received (Note 1)	4,634	-	-	**4,634**
Rent and Rates	-	-	1,696,383	**1,696,383**
Total Income	**7,600,733**	**59,167**	**1,696,383**	**9,356,283**
Expenditure				
Personal Emoluments	5,767,464	-	-	**5,767,464**
Other Charges	1,776,535	24,803	-	**1,801,338**
Rent and Rates	-	-	1,710,452	**1,710,452**
Total Expenditure	**7,543,999**	**24,803**	**1,710,452**	**9,279,254**
Surplus/(Deficit) for the Year	56,734	34,364	(14,069)	**77,029**
Less: Surplus of Provident Fund	(37,600)	-	-	**(37,600)**
Surplus/(Deficit) for the Year	**19,134**	**34,364**	**(14,069)**	**39,429**
Surplus b/f (Note 2)	1,193,955	-	16,861	**1,210,816**
	1,213,089	34,364	2,792	**1,250,245**
Transfer from LSG Reserve to Other Funds	(5,304)	5,304	-	-
Transfer from Other Funds to LSG Reserve	4,461	(4,461)	-	-
Surplus c/f (Note 4)	**1,212,246**	**35,207**	**2,792**	**1,250,245**

8. ANALYSIS OF LUMP SUM GRANT RESERVE AND BALANCES OF OTHER SWD SUBVENTIONS (Cont'd)

Notes:

1. Interest received on LSG HA and Provident Fund reserves, Rent and Rates, Central Items are included as one item under LSG; and the item is considered as part of LSG reserve.
2. Accumulated balance of LSG Surplus b/f from previous years (including all interest received in previous years (see (1) above), the balance of HA and balance of Other Funds or Donations for Designated Purposes should be separately reported.
3. Amount of LSG Reserve used to cover the salary adjustment for Infirmary Care Supplement, if any, as per Schedule for Central Items.
4. For the Association without HA, separate disclosure of the movement of HA in their respective AFRs is not necessary. The level of LSG cumulative reserve will be capped at 25% of the Association's operating expenditure (i.e. Total Expenditure excluding Provident Fund Contribution) for the year.

   For NGOs with HA, with effect from 2022-23, the calculation of the annual claw-back is as follows:

   (i) With Snapshot Staff (SS)
   The level of LSG cumulative reserve will be capped at 25% of the NGO's operating expenditure for the year.

   (ii) Without SS
   For the next three years (Year 1 to Year 3), the level of LSG cumulative reserve (i.e. S1) will be capped at 25% of the NGO's operating expenditure for the year. From the fourth financial year (Year 4) onwards, the level of LSG cumulative reserve and HA reserve will be counted altogether and the combined reserve amount will be capped at 25% of the NGO's operating expenditure for the year. In this regard, separate disclosure of the movement of HA in their respective AFRs is not necessary.
5. As a support measure for the implementation of the Productivity Enhancement Programme, the claw-back arrangement of LSG cumulative reserve amount exceeding 25% of the Association's operating expenditure would be suspended from 2023-24 (for NGOs with 2024-25 provisional subvention allocation of $50M or more) / 2024-25 (for NGOs with 2024-25 provisional subvention allocation of less than $50M) until 2028-29 as stipulated in SWD's letter under reference (1) / (2) / (3) / (4) in SWD 0075-0010-0060-0080-0040 of 3 March 2025.

Annex 1

SCHEDULE FOR RENT AND RATES

Analysis of Subvention and Expenditure for the Period from 1 April 2025 to 31 March 2026

Name of Agency (code) : ASIAN OUTREACH HONG KONG LIMITED (009)

Unit Code and Name	Subvented Element	Subvention released (Note 1)	Actual Expenditure	Surplus (Note 2)	Deficit (Note 2)
		$	$	$	$
7577 Island Harbourview Elderly Club	Rent (Note 3)	1,599,183	1,606,131	-	(6,948)
	Rates	70,200	72,101	-	(1,901)
	Government Rent	27,000	32,220	-	(5,220)
	Total	1,696,383	1,710,452	-	(14,069)

Notes :

1. The figures are extracted from the paylist during the year. Reimbursement for rent and rates relating to previous financial years should not be included.

2. Surplus/ Deficit for each element represents the difference between subvention released and actual expenditure.

3. Rent includes all kinds of rent such as Public Housing Estate rental, private rental, carpark rent, management fee, building maintenance fee and Government Rent.

Annex 2

Schedule for Investment
Analysis of Investment as at 31 March 2026
Asian Outreach Hong Kong Limited (Agency code: 009)

	2026 HK$	2025 HK$
LSG Reserve as at 31 March	1,212,246	1,193,955
Represented by :		
Investments		
a. HKD Bank Account Balances	1,212,246	1,193,955
b. HKD 24-hour Call Deposits	-	-
c. HKD Fixed Deposit	-	-
d. HKD Certificate of Deposits	-	-
e. HKD Bonds	-	-
	1,212,246	1,193,955

Note : The investments should be reported at historical cost.

Confirmed by:

Rev. Choy Hong Yee, Colon
NGO Head
15 October 2026

Mr. Lee Hung Hing
Board Chairperson
15 October 2026

Schedule for Funding and Service Agreement services / Funding and Service Agreement-related activities supported by Other Funds or Donations for Designated Purposes

Analysis of Income and Expenditure for the Period from 1 April 2025 to 31 March 2026

Name of Non-Governmental Organisation (NGO) (code) : ASIAN OUTREACH HONG KONG LIMITED (009)

No.	Activity Name	Source of funding	Balance of Incomplete Project Brought Forward from Previous Year (Note 2) (a) $	Income Received (Note 3) (b) $	Actual Expenditure (Note 4) (c) $	For Completed Project: Surplus / Deficit transferred to Lump Sum Grant Reserve (Note 5) (d) = (a) + (b) – (c) $	For Projects in Progress: Surplus / Deficit (Note 5) (d) = (a) + (b) – (c) $
I.	**Funding and Service Agreement (FSA) services**						
1	U3A自務學習中心	社聯 x 港燈 香港第三齡學苑	-	9,000.00	9,000.00	-	-
2	Life Education Projects	華永會	-	26,026.50	-	-	26,026.50
		Sub-total (i)	-	35,026.50	9,000.00	-	26,026.50
II.	**FSA-related activities**						
1	都會大學長青活學計劃	香港都會大學長者學苑	5,304.00	24,140.00	15,803.00	4,461.00	9,180.00
		Sub-total (ii)	5,304.00	24,140.00	15,803.00	4,461.00	9,180.00
		TOTAL (i) + (ii)	**5,304.00**	**59,166.50**	**24,803.00**	**4,461.00**	**35,206.50**

Notes :

1. Other Funds or Donations for Designated Purposes generally refer to non-Social Welfare Department (SWD) funding, including subsidies from public / private organisations and private donations, etc.
2. Balance of incomplete project brought forward from previous year should be included under the column of "Other Funds or Donations for Designated Purposes" in Note 8 to the Annual Financial Report (AFR).
3. Funding received from sources, other than (i) the SWD (including those programmes administered by SWD) or (ii) those listed on SWD's website under government funds / subsidy schemes or (iii) the Hong Kong Jockey Club Charities Trust or the Community Chest with funded welfare services / projects reported in Annex 5A, for FSA services / FSA-related activities as well as any other incidental income received should be properly supported and included under the column of "Other Funds or Donations for Designated Purposes" in Note 8 to the AFR. All relevant supporting documents must be available for inspection by authorised staff of SWD and audit by the Audit Commission.
4. NGOs should be responsible for the utilisation of the other funding received for designated purposes for FSA services / FSA-related activities. As the amount aims to reflect the actual cash expenditure, the cost apportionment of Subvented resources needs not be included under this column.
5. If there is any unspent balance out of the non-SWD funded FSA services / FSA-related activities that must be returned to the funder, such payment shall be borne by the NGO's own resources.

\# Amounts should tally with those reported in the column of "Other Funds or Donations for Designated Purposes" in Note 8 to the AFR.

Confirmed by:

Rev. Choy Hong Yee, Colon
NGO Head
15 October 2026

Mr. Lee Hung Hing
Board Chairperson
15 October 2026