

HONGKONG | JAPAN
BUSINESS CO-OPERATION
COMMITTEE

ANNUAL REPORT
2014/2015



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1. INTRODUCTION

The Hong Kong–Japan Business Co-operation Committee (HK-JBCC) and its counterpart, the Japan–Hong Kong Business Co-operation Committee (J-HKBCC), were established in 1979. The Committee organises high level business-to-business dialogue to foster understanding between the business communities of Hong Kong and Japan. It also promotes trade, investment and other economic co-operation between the two territories.

The Hong Kong Trade Development Council (HKTDC) acts as the Secretariat for the Hong Kong committee and the Japan Business Federation (formerly known as the Keidanren) serves as the Secretariat for the Japan committee. The two committees are represented by the business leaders from a broad spectrum of trade and industry. Members of the committees meet once a year to enhance mutual understanding and explore new dimensions that can broaden and deepen business partnership between Hong Kong and Japan.

It is the priority of the Hong Kong–Japan Business Co-operation Committee to explore new dimensions in Hong Kong's economic relations with Japan and to act as a catalyst for a broader and deeper business partnership. The Committee has also undertaken to explore ways of promoting Hong Kong as a trade and service platform for Japanese companies to make an inroad in the Chinese and Asian markets.

2. MEMBERSHIP

The Chairman of the Hong Kong Committee is Dr Jonathan Choi Koon-shum, GBS, BBS, JP. Members are business leaders of various service and product industries in Hong Kong.

A. Changes in Membership

a. Chairman of Committee

Dr Jonathan Choi Koon-shum, GBS, BBS, JP was re-appointed by the Chief Executive of the HKSAR to serve as Committee Chairman on 20th September 2014.

b. Committee

Changes during Annual General meeting 2014

According to Clauses 28 & 29 of the Articles of Association the one-third of members (i.e. a total of five members) who have served the longest since their last re-election must retire in the 33rd Annual General Meeting.

The members who were invited to offer themselves for re-election include Mr Richard Li and Mr Victor Cha, and five more with the same re-election date, namely Mr Bob Chong, Dr Philip Chen, Mr Jeffrey Lam, Mr Peter Hung and Dr Daniel Shao.

As governed by the Articles, the third, fourth and fifth member to stand for re-election were determined by lot. As agreed by the Chairman, Dr Jonathan Choi, the lot was conducted by Mr William Chui, Director of International and Mainland Relations, HKTDC on 10th July 2014.

As a result, the following five members were identified for retirement in the Annual General Meeting:

Mr Richard Li	Mr Bob Chong
Mr Victor Cha	Mr Peter Hung
	Dr Daniel Shao

Mr Peter Hung, one of the retiring Directors, did not offer himself for re-election. The other four members offered themselves for re-election and were re-elected through resolutions in writing by all members of the Committee passed in lieu of the 33rd Annual General Meeting on 18th August 2014.

Resignation of Mr Fred lam

Mr Fred Lam, JP, ex-Executive Director of Hong Kong Trade Development Council, resigned from the Committee on 1st October 2014.

Appointment of New Member

Ms Margaret Fong, JP, Executive Director of Hong Kong Trade Development Council, joined the Committee on 20th October 2014.

B. Membership of the Main Committee during the Year, up to the date of the report

Committee

Chairman:

Dr Jonathan Choi Koon-shum, GBS, BBS, JP

Members:

Mr Cha Mou Zing Victor

Mr Chan Wing Fui Peter

Mr Chen Aiping*

Dr Philip NL Chen, GBS, SBS, JP

Mr Chong Hot Hoi Bob, BBS

Mr Chu Lap Lik Victor

Ms Margaret Fong, JP

Dr Fu Yuning*

The Hon Jeffrey Lam, GBS, SBS, JP

Mr Richard Li

Mr Daryl Ng Win Kong

Dr Daniel Shao, BBS

Dr Stephen T. F. Tai, GBS, SBS, JP

Dr Allan Wong, GBS, MBE, JP

Mr Michael Wu

Mr Thomas Jefferson Wu

Dr Yim Fung, JP*

Mr Zhu Qi

**Honorary member*

3. REVIEW OF ACTIVITIES

A . The 34th Plenary Session

The 34th Plenary Session of the Hong Kong-Japan & Japan-Hong Kong Business Co-operation Committees was held in Hong Kong on 24th March 2015. It was jointly chaired by Dr Jonathan Choi, Chairman of Sunwah Group, and Mr Akimitsu Ashida, Counsellor of Japan's Mitsui O.S.K. Lines Ltd.

This year's Plenary focused on economic updates on Hong Kong, the Chinese mainland and Japan; new opportunities arising from Guangdong Free Trade Zones; China's outbound investment and Hong Kong-Japan collaboration in the sectors of finance and logistics. Dr Choi observed that the latest socio-economic development on the Chinese mainland would generate more opportunities for Hong Kong and Japanese companies while the recovery of Japanese economy would lead to more commercial activities of Japanese companies in Hong Kong. Mr Ashida highlighted the huge potential for closer Hong Kong-Japan collaboration with the increasing pace of economic integration in Asia, given Hong Kong's role as international financial and logistics centres.

Mr Andrew Fung, Executive Director and Head of Global Banking and Markets at Hang Seng Bank was invited to share his views on RMB internationalisation and China's capital market liberalisation while Mr David Brown, Transaction Services Leader, Asia Pacific at PricewaterhouseCoopers shared his views on Chinese outbound investment. They noted that these new developments generated huge business opportunities for Japanese enterprises through Hong Kong's financial platform.

The Bank of Tokyo-Mitsubishi UFJ, Ltd provided an overview of Abenomics while Daiwa PI Partners Co. Ltd. looked forward to closer Hong Kong-Japan collaboration in financial industry. Mr Ashida further highlighted Hong Kong's role as a transshipment hub while Yamato Transport introduced its recent launch of door-to-door delivery service in Hong Kong.

At the plenary luncheon following the bilateral meeting, Hong Kong SAR Government Chief Executive CY Leung delivered his keynote address, in which he reaffirmed that Hong Kong was the fastest and most efficient route to the opportunities in the Chinese mainland for Japanese companies.



Members of the two committees welcomed The Hon CY Leung (third from right), Chief Executive of the Hong Kong SAR Government



Nearly 40 senior Hong Kong and Japanese business leaders participated in the annual bilateral meeting



Dr Jonathan Choi (right), Chairman of the Hong Kong-Japan Business Co-operation Committee, met with Mr Akimitsu Ashida (left), Chairman of the Japan-Hong Kong Business Co-operation Committee during the annual bilateral meeting



Amb. Hitoshi Noda (front row middle) hosted a welcome dinner for members of the two committees the night before the Plenary Session

B . "Think Global Think Hong Kong" Business Symposium in Osaka

A large-scale business symposium was held in Osaka in January to promote Hong Kong's advantages to Kansai companies. This major promotion on Hong Kong attracted over 650 participants representing different sectors of the Kansai business community. Three concurrent breakout sessions – on food, technology and content sectors were also held. This Symposium is the largest Hong Kong trade promotion in Kansai region since the last "Think Global, Think Hong Kong" campaign staged in May 2012 in Osaka.

The Symposium also featured several high caliber speakers. Dr Philip NL Chen, GBS, SBS, JP, Managing Director of Hang Lung Properties, also a member of HK-JBCC, encouraged Japanese companies to tap business opportunities on the Chinese mainland via Hong Kong's marketing platform. Mr Huang Hong, Deputy Chief Executive, Bank of China (Hong Kong) Limited emphasised Hong Kong as Asia's international financial centre and an offshore Renminbi centre. Dr Jonathan Choi, Chairman of HK-JBCC, delivered closing remarks to encourage more Japanese companies to expand their business to Hong Kong and make use of Hong Kong's competitive advantages.



The Main Symposium was well attended by over 430 business executives from Kansai region



Dr Choi, Chairman of HK-JBCC delivered closing remarks to encourage more Japanese companies to expand their business to Hong Kong and make use of Hong Kong's various advantages



Aimed at promoting economic co-operation between Hong Kong and Kansai region, the promotion featured over 30 prominent speakers from both Hong Kong and Japan

C . Hong Kong – Tohoku Business Seminar in Sendai

To demonstrate HK-JBCC's continued support for the economic recovery of Tohoku region and increasing interests of Tohoku SMEs in expanding their business into Asia, the largest-ever Hong Kong promotion was organised in Sendai in November 2014. The main seminar attracted over 250 participants while the three breakout sessions on content, design and food industries were attended by 58, 40 and 90 businesspeople respectively. Dr Choi delivered a keynote address to stress that Hong Kong was the global business partner of Tohoku companies.



The Main Seminar was well attended by over 250 business executives from Tohoku region



Dr Choi, Chairman of HK-JBCC delivered a keynote address to encourage more Tohoku companies to collaborate with their Hong Kong counterparts

D . Hong Kong Life Science Seminar in Osaka

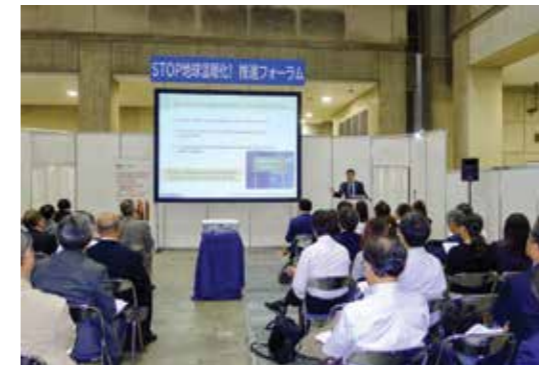
To explore new frontier of Hong Kong-Japan collaboration in life science industry, the first-ever Hong Kong life science promotion was organised in February in Osaka. Prof Albert Yu, Chairman of Hong Kong Biotechnology Organisation and also Chairman & CSO of Hai Kang Life Corporation Limited was invited to share his insights on Hong Kong as a biotechnology hub and also a gateway to the mainland market. The seminar was attended by 50 influential industry players in the Kansai region.



50 participants from 40 companies attended the Life Science Seminar held in Osaka on 6 February 2015

E . Hong Kong – Japan Environmental Partnership Seminars in Tokyo, Osaka, Kyushu and Shiga

Five outreach seminars promoting Hong Kong environmental protection industry were held in Tokyo, Osaka, Kyushu and Shiga in 2014. Ir Daniel Cheng, Managing Director of Dunwell Enviro-Tech (Holdings) Ltd was invited to share Hong Kong's premier role in assisting Japanese companies to penetrate into the Chinese mainland's eco technology market in two seminars in Tokyo and Osaka. Altogether, the seminars successfully reached out to more than 190 participants representing 239 Japanese companies.



Over 60 participants from 46 companies attended the Eco Partnership Seminar held in Tokyo on 28 May 2014.

F . Hong Kong Green Building Workshop at KENTEN

In June 2014, the HK-JBCC organised a Green Building Workshop at KENTEN, the largest green building fair in West Japan with more than 16,000 participants. The workshop attracted over 70 companies from Osaka, Hyogo, Shiga, Kyoto and other places in Kansai.



Over 70 participants attended the Green Building Workshop at KENTEN held in Osaka on 13 June 2014.

G . Hong Kong Contents Promotion Seminar in Nagoya and Design Seminar in Okinawa

Riding on the "Cool Japan" strategy of the Japanese government and to further promote Hong Kong as an ideal business platform for creative industries in the region, HK-JBCC organised a contents promotion seminar in Nagoya in December 2014 and a design seminar in Okinawa in March 2015.

These events offered a timely platform for disseminating information about the development of creative industries in Hong Kong and Asia, and encouraged Japanese companies to utilise the Hong Kong platform to seize business opportunities on the Chinese mainland.



Over 40 participants attended the Contents Promotion Seminar in Nagoya held on 12 December 2014.

H. High-level Networking Reception in Tokyo

HK-JBCC jointly organised a High-level Networking Reception in Tokyo with HKTDC and the Hong Kong Economic and Trade Office (Tokyo), Hong Kong Tourism Board and InvestHK on 26th February 2015, shortly after the Chinese New Year. The reception served as a timely platform to promote Hong Kong's unique position as a gateway to the Chinese mainland and Hong Kong's advantages as Asia's central business hub.

HK-JBCC Chairman Dr Jonathan Choi delivered welcome remarks at the reception and encouraged the Japanese business community to partner with Hong Kong to capture new opportunities in the region, particularly in food, technology and content industries.

More than 460 business leaders, officials and multipliers from Japan attended the event. Among them were The Hon Yuichiro Hata, Councillor of the House of Councillors; The Hon Asahiko Mihara, Councillor of the House of Representatives; Mr Hisao Harihara, Vice-Minister of the Ministry of Agriculture, Forestry and Fisheries; and Mr Hiroshi Takada, Chairman & CEO of Organization for Small & Medium Enterprises and Regional Innovation, Japan (SMRJ).



Dr Jonathan Choi, Chairman of HK-JBCC, delivered the welcome remarks at the high-level networking reception in Tokyo.



Guests toasted for prosperity and health in the New Year of the Sheep.

I. Other Activities

a. Business Advisory Service

Since its inception in March 2004, the Business Advisory Service has been well received by Japanese companies interested in doing business with Hong Kong and China.

Japanese experts who possessed ample practical knowledge in doing business in Hong Kong and Chinese mainland were engaged to serve as business advisors via HKTDC's offices in Tokyo and Osaka. The advisory service proved to be of value to the Japanese business community, especially SMEs with little knowledge of doing business with Hong Kong and Chinese mainland. A total of 101 in-depth business consultations were completed in 2014/15. Riding on outreach seminars and briefings, business advisory services were also provided to local Japanese SMEs in Yamanashi, Okayama, Kochi, Ehime, Hiroshima, Mie, Yamagata and Nagano Prefectures.



Business Advisory Service was provided to a Japanese company interested in exploring Hong Kong and the Chinese mainland markets in Nagano in January 2015.

b. Jewellery and Watch & Clock Workshops at Hiko Mizuno College of Jewellery, Tokyo

Since 2005, HK-JBCC has been sponsoring winners from the Jewellery Design Competition and Hong Kong Watch & Clock Design Competition to attend an intensive design workshop at Hiko Mizuno Design College in Tokyo, Japan. The course has helped Hong Kong design talents to strengthen their design and marketing skills, having been inspired by their Japanese design tutors. A total of six winners of the two competitions were sponsored by HK-JBCC to attend a five-day course (29th March 2015 to 4th April 2015) at the Hiko Mizuno College of Jewellery in Tokyo.



Winners of the competitions obtained new design idea and techniques through the five-day workshop provided by the Hiko Mizuno College of Jewellery.

4. HONG KONG'S TRADE WITH JAPAN

A. Trade Figures, 2005 – March 2015 (HK\$ Million)

	2005	2006	2007	2008	2009	2010	2011
Domestic Exports	4,320	4,931	2,864	2,290	1,651	2,032	1,531
Re-Exports	114,258	115,490	116,703	118,663	107,218	125,615	133,624
Total Exports	118,578	120,422	119,568	120,952	108,869	127,647	135,155
Imports	256,501	268,140	287,329	297,552	236,369	308,161	318,601
Total Trade	375,079	388,562	406,896	418,504	345,238	435,808	453,756
Trade Balance	-137,923	-147,719	-167,761	-176,600	-127,500	-180,514	-183,446

	2012	2013	2014	% Change 2014/13	2015 (Jan-Mar)	% Change 2015/14	Hong Kong's Trade with Japan as % of HK's Total Trade in 2014 (Jan-Mar)
Domestic Exports	1,192	1,262	1,267	+0.4%	205	-47.7%	1.8%
Re-Exports	142,778	133,967	130,238	-2.8%	29,732	-6.7%	3.6%
Total Exports	143,970	135,229	131,505	-2.8%	29,937	-7.2%	3.6%
Imports	311,605	286,343	288,891	-0.9%	62,496	-2.4%	6.5%
Total Trade	455,575	421,572	420,396	-0.3%	92,432	-4%	5.2%
Trade Balance	-167,635	-151,114	-157,386	n.a.	-32,559	n.a.	n.a.

Notes: 1) n.a. = not applicable

B. Hong Kong's Top Ten Trading Partners, 2014 (HK\$ Million)

Markets	Hong Kong's Domestic Exports	Hong Kong's Re-exports	Hong Kong's Total Exports	% Change 13/12
1. CHINA	23,195	1,955,821	1,979,016	+1.9%
2. U.S.A.	4,475	336,980	341,456	+1.8%
3. JAPAN	1,267	130,238	131,505	-0.3%
4. TAIWAN	3,001	76,296	79,297	+11.9%
5. SINGAPORE	2,512	57,339	59,850	+5.1%
6. KOREA REP	1,436	60,948	62,384	+6.8%
7. INDIA	1,762	92,462	94,224	+11.5%
8. GERMANY	1,318	47,820	49,138	+13.6%
9. THAILAND	1,416	28,467	29,883	+15.5%
10. MALAYSIA	406	72,181	72,588	+1.1%

HONG KONG'S IMPORTS			HONG KONG'S TOTAL TRADE		
Suppliers	Amount	% Change	Trading Partners	Amount	% Change
1. CHINA	1,986,964	2.3%	1. CHINA	3,965,980	1.9%
2. TAIWAN	300,278	14.7%	2. U.S.A.	561,055	1.8%
3. JAPAN	288,891	0.9%	3. JAPAN	420,396	-0.3%
4. SINGAPORE	260,801	5.8%	4. TAIWAN	379,575	11.9%
5. USA	219,599	*	5. SINGAPORE	320,651	5.1%
6. KOREA REP	175,537	10.6%	6. KOREA REP	237,921	6.8%
7. MALAYSIA	102,191	16.7%	7. INDIA	190,312	11.5%
8. INDIA	96,088	10%	8. GERMANY	137,210	13.6%
9. THAILAND	88,132	13.7%	9. THAILAND	132,074	15.5%
10. GERMANY	79,291	2.7%	10. MALAYSIA	131,074	1.1%

* INSIGNIFICANT

C. Hong Kong's Position in Japan's Trade, 2013 (USD Billion)

Japan's Total Exports			Japan's Imports			Japan's Total Trade		
Ranking	Amount	% Share	Ranking	Amount	% Share	Ranking	Amount	% Share
5	38.3	5.5	45	1.7	0.2	12	40.0	2.6

5. ADMINISTRATION

A. Secretariat

Staff establishment as at 31st March 2015 was as follows:

Secretary-General	Ms Iris Wong
Deputy Secretary-General	Ms Anne Chung
Administrative Assistant	Ms Kitty Szeto

B. Premises

The Secretariat continued to rent office space from the HKTDC.

C. Financial Arrangements

For the financial year under review, subvention from the HKSAR Government was HK\$3,610,000 and subvention from HKTDC was HK\$ 92,667.

The accounts for the financial year 1st April 2014 to 31st March 2015 have been audited by PricewaterhouseCoopers, whose appointment was approved by resolution at the 33rd Annual General Meeting. The Statement by the Directors on the Report and Accounts are on pages 15-27.

HONGKONG JAPAN BUSINESS CO-OPERATION COMMITTEE 港日經濟合作委員會

(Incorporated in Hong Kong and limited by guarantee)

D. REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 31st March 2015.

Principal activities

The principal activities of the Committee are to foster friendship and understanding between the business communities of Hong Kong and Japan, and to seek, promote and assist in promoting trade, investment and other economic co-operation.

Results

	HK\$
Retained surplus as at 31st March 2014	1,878
Result for the year	-
Retained surplus as at 31st March 2015	<u>1,878</u>

The directors recommend that the retained surplus as at 31st March 2015 be carried forward.

Directors

The directors of the Committee during the year and up to the date of this report are:

CHOI Koon Shum (Chairman)	
CHAN Wing Fui Peter	
CHEN Nan Lok Philip	
CHU Lap Lik Victor	
LAM Kin Fung Jeffrey	
NG Win Kong Daryl	
TAI Tak Fung	
WONG Allan	
WU Thomas Jefferson	
WU Wei Kuo Michael	
ZHU Qi	
FONG Shun Man Margaret	(appointed on 20th October 2014)
CHA Mou Zing Victor	(retired and re-elected on 18th August 2014)
CHONG Hot Hoi Bob	(retired and re-elected on 18th August 2014)
LI Richard	(retired and re-elected on 18th August 2014)
SHAO Kung Chuen Daniel	(retired and re-elected on 18th August 2014)
HUNG Hak Hip Peter	(retired on 18th August 2014)
LAM Tin Fuk	(retired on 1st October 2014)

REPORT OF THE DIRECTORS (Continued)

Directors (Continued)

In accordance with sections 28 and 29 of the Committee's Articles of Association, one-third of the directors who have been longest in office shall retire by rotation and, being eligible, offer themselves for re-election.

Interest in contracts

Ms. Margaret Fong is the Executive Director of Hong Kong Trade Development Council ("HKTDC") which is incorporated in Hong Kong.

Apart from the above, no contracts of significance in relation to the Committee's business to which the Committee was a party and in which a director of the Committee had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Committee were entered into or existed during the year.

Auditor

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

By order of the Board,

(Signed)

Secretary - General
Wong Yan
Hong Kong, 14 July 2015

E. INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HONGKONG JAPAN BUSINESS CO-OPERATION COMMITTEE

港日經濟合作委員會

(Incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of HongKong Japan Business Co-operation Committee ("the Committee") set out on pages 5 to 14, which comprise the balance sheet as at 31 March 2015, and the statement of comprehensive income, statement of changes in fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion 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 this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HONGKONG JAPAN BUSINESS CO-OPERATION COMMITTEE

港日經濟合作委員會

(Incorporated in Hong Kong and limited by guarantee) (Continued)

control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Committee as at 31 March 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

(Signed)

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 14 July 2015

HONGKONG JAPAN BUSINESS CO-OPERATION COMMITTEE
港日經濟合作委員會

(Incorporated in Hong Kong and limited by guarantee)

F. STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31st March

	Note	2015 HK\$	2014 HK\$
INCOME			
Government / HKTDC subventions	5	3,702,667	4,173,222
Total Income:		<u>3,702,667</u>	<u>4,173,222</u>
EXPENDITURE			
Staff costs charged by HKTDC	6	1,332,112	1,303,578
Rent and rates		69,750	69,240
Other administrative expenses		32,154	37,761
Auditor's remuneration		44,000	40,000
Expenditure on operational activities		<u>2,224,651</u>	<u>2,722,643</u>
Total Expenditure:		<u>3,702,667</u>	<u>4,173,222</u>
RESULTS FOR THE YEAR AND COMPREHENSIVE INCOME FOR THE YEAR		<u>-</u>	<u>-</u>

HONGKONG JAPAN BUSINESS CO-OPERATION COMMITTEE
港日經濟合作委員會

(Incorporated in Hong Kong and limited by guarantee)

G. BALANCE SHEET

As At 31st March

		<u>2015</u>	<u>2014</u>
		HK\$	HK\$
CURRENT ASSETS	Note		
Bank balances and cash	8	922,047	49,993
Other receivables	9	-	183,331
TOTAL ASSETS		<u>922,047</u>	<u>233,324</u>
CURRENT LIABILITIES			
Amount due to HKTDC	10	875,349	190,646
Accruals and other payables	11	44,820	40,800
TOTAL LIABILITIES		<u>920,169</u>	<u>231,446</u>
NET ASSETS		<u>1,878</u>	<u>1,878</u>
Financed by:			
ACCUMULATED FUND		<u>1,878</u>	<u>1,878</u>

(signed)
 CHOI Koon Shum
 Director

(signed)
 FONG Shun Man Margaret
 Director

The financial statements were approved by the Board of Directors on 14 July 2015.

HONGKONG JAPAN BUSINESS CO-OPERATION COMMITTEE
港日經濟合作委員會

(Incorporated in Hong Kong and limited by guarantee)

H. STATEMENT OF CASH FLOWS

For the Year Ended 31 March

	<u>2015</u>	<u>2014</u>
	HK\$	HK\$
Results for the year	-	-
(Decrease)/increase in balances with HKTDC	684,703	(42,974)
Increase in other receivables	183,331	(183,331)
Decrease in accruals and other payable	4,020	(2,950)
Net cash (outflow)/inflow from operating activities	<u>872,054</u>	<u>(229,255)</u>
(Decrease)/increase in cash and cash equivalents	872,054	(229,255)
Cash and cash equivalents at the beginning of the year	49,993	279,248
Cash and cash equivalent at the end of the year	<u>922,047</u>	<u>49,993</u>
Analysis of balances of cash and cash equivalents:		
Bank balances	<u>922,047</u>	<u>49,993</u>

HONGKONG JAPAN BUSINESS CO-OPERATION COMMITTEE
港日經濟合作委員會

(Incorporated in Hong Kong and limited by guarantee)

I. STATEMENT OF CHANGES IN FUND

	HK\$
Total fund as at 31st March 2013	1,878
Results for the year and comprehensive income for the year	-
Total fund as at 31 March 2014	<u>1,878</u>
Results for the year and comprehensive income for the year	-
Total fund as at 31st March 2015	<u><u>1,878</u></u>

HONGKONG JAPAN BUSINESS CO-OPERATION COMMITTEE
港日經濟合作委員會

(Incorporated in Hong Kong and limited by guarantee)

J. NOTES TO THE FINANCIAL STATEMENTS

1. Legal status

The Committee is incorporated under the Hong Kong Companies Ordinance and is limited by guarantee.

Under the provision of the Memorandum of Association, the liability of the Committee in the event of its being wound up is limited to the extent of the guarantee undertaken by its members, which shall not exceed HK\$10 for each member. At 31st March 2015, there were 16 members (31st March 2014: 17 members).

2. General information

The principal activities of the Committee are to foster friendship and understanding between the business communities of Hong Kong and Japan, and to seek, promote and assist in promoting trade, investment and other economic co-operation. The address of its registered office and its principal place of business is 38/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

3. Principal accounting policies

(a) Basis of preparation

The financial statements of the Committee have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Committee's accounting policies. These estimates and assumptions affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of income and expenditure during the year. Although these estimates are based on management's best knowledge of event and actions, actual results ultimately may differ from those estimates.

During the year, the Committee has assessed the new or revised standards, amendments and improvements to existing standards (collectively the "new HKFRSs") that have come into effect and are considered relevant to its operations.

The Committee has adopted such new HKFRSs at their respective effective dates with no material impact.

(b) Revised standards and amendments to existing standards which are not yet effective

As at 31st March 2014, the following amendments to existing standard which are considered relevant to the Committee's operations, are in issue but not yet effective:

		Effective from periods beginning on or after
HKAS (Amendments)	Disclosure Initiative	1st January 2016
HKFRSs Amendment	Annual Improvements 2014	1st July 2016
HKFRS 15	Revenue from Contracts with Customers	1st January 2017

The Committee is in the process of assessing the impact of the above new HKFRSs when they become effective. The Committee is not yet in a position to state whether any substantial financial impact will be resulted.

(c) Foreign currencies

Items included in the financial statements of the Committee are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Hong Kong dollars, which is the Committee's functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated into Hong Kong dollars at the exchange rate ruling at the balance sheet date. Exchange gains and losses on foreign currency translations are dealt with in the profit or loss.

(d) Cash and cash equivalents

Cash and cash equivalents include cash at bank.

(e) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. Appropriate allowance for estimated irrecoverable amounts is recognised in the profit or loss when there is objective evidence that the asset is impaired.

(f) Provision

Provisions are recognised when either a legal or constructive obligation, as a result of a past event, exists at the balance sheet date and where the amount of the obligation can be reliably estimated.

(g) Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

(h) Income recognition

Government and HKTDC subventions are recognised in the specific fiscal year as approved by the Government and HKTDC. Interest on bank deposits is recognised on a time-proportion basis using the effective interest method.

(i) Employee benefits

Contributions to defined benefits and defined contribution schemes of HKTDC for the year are recognised in the profit or loss.

(j) Income tax

The Committee is exempted under Section 87 of the Hong Kong Inland Revenue Ordinance from all taxes payable under the Ordinance.

(k) Related party

A party is considered to be related to the Committee if the party has the ability, directly or indirectly, to control the Committee in making financial and operating decisions, or vice versa.

(I) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Committee. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

4. Financial risk management

(a) Credit risk

The Committee is exposed to credit risk in relation to cash at bank and receivables. The Committee's maximum exposure is the carrying amount of these financial assets. To manage this risk, the management has monitoring procedures to ensure that, follow-up action is taken to recover overdue debts. In addition, the management reviews the recoverable amounts of receivables to ensure that adequate impairment is made for the irrecoverable amounts.

The Company's cash at bank are held in major financial institutions, which management believes are of high credit quality. The credit risk is considered minimal.

(b) Liquidity risk

The Committee maintains sufficient cash and liquid assets, and obtains subvention from the Government and HKTDC to finance its operations and is not exposed to liquidity risk. The amounts of current liabilities presented in the balance sheet are the contractual undiscounted cash flows due within 12 months, as the impact of discounting is not significant.

(c) Capital management

The Committee's capital consists of Accumulated Fund which represents residual of assets over liabilities. It is the Committee's objective to maintain a balanced account and to ensure going concern for carrying out the Committee's principal activities.

5. Government / HKTDC subventions

According to the existing funding arrangement, the Government and HKTDC agree to fund the expenditure of the Committee. For the financial year ended 31st March 2015, the subvention from the Government was HK\$3,610,000 (2014: HK\$3,610,000) and the balance to be funded by HKTDC would be HK\$92,667 (2014: HK\$563,222).

6. Staff costs

The total amount of staff costs comprises:

	2015	2014
	HK\$	HK\$
Staff salaries and discretionary performance pay	1,140,094	1,114,595
Accommodation and other allowances, retirement benefit and staff-related expenses	121,876	122,621
Retirement benefit expenses	70,142	66,362
	<u>1,332,112</u>	<u>1,303,578</u>

All staff members are employed by the HKTDC. The related actual staff costs incurred was recharged by HKTDC at pre-determined rate as agreed between the Committee and HKTDC.

7. Directors' remuneration

None of the directors received any remuneration in respect of their services rendered during the year (2014: Nil).

8. Bank balances and cash

The carrying amounts of the bank balances are denominated in Hong Kong dollars.

9. Other receivables

As at 31st March 2014, other receivables were fully performing and were aged within 30 days. The carrying amounts of other receivables above at the year end approximate their fair values, and are denominated in Hong Kong dollars.

10. Amount due to HKTDC

The amount due to HKTDC is unsecured, interest free and repayable on demand. The net carrying amount of balance with HKTDC approximates its fair value and is denominated in Hong Kong dollars.

11. Accruals and other payables

The carrying amounts at year end approximate their fair value and are denominated in Hong Kong dollars.

HONGKONG | JAPAN
BUSINESS CO-OPERATION COMMITTEE

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