

物業管理業監管局

Property Management Services Authority

2016 / 2017

年報 Annual Report

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引言

Introduction

《物業管理服務條例》（《物管條例》）（第 626 章）獲得通過，標誌著社會普遍認同物業管理服務的重要性。對香港市民而言，物業不單為市民提供居所，亦是大家珍貴的資產。物業管理公司及物業管理人在協助業主妥善管理物業方面，擔當重要角色。物業管理講求多方面的專業服務，而物業管理的服務質素不但會影響樓宇的安全和衛生水平及市民的生活環境，亦對物業價值有影響。因此，規管和提升物業管理質素的工作更形重要。

The enactment of the Property Management Services Ordinance (the Ordinance) (Cap. 626) signifies a general recognition of the importance of property management services in our society. Property does not only provide accommodation but is also a valuable asset for Hong Kong people. Property management companies and property management practitioners play a vital role in assisting property owners to manage their buildings. Property management requires professional service across multi-disciplines. The service quality of property management affects not only the safety and hygiene standards of buildings as well as the living environment of the public, but also the value of the property. Therefore, regulation and quality enhancement of property management services become more important.

物業管理業監管局（監管局）是根據《物管條例》成立的法人團體。作為一個法定規管機構，監管局肩負起規管和推動業界發展的責任。

The Property Management Services Authority (the Authority) is a body corporate established under the Ordinance. As a statutory regulatory body, the Authority is tasked to regulate and promote the development of the industry.

本周年報告根據《物管條例》附表 3 擬備，涵蓋 2016 年 10 月 24 日至 2017 年 3 月 31 日期間的事務，即由附表 3 生效日至《物管條例》所界定的監管局首個財政年度完結日。

This Annual Report, which is prepared in accordance with Schedule 3 to the Ordinance, covers the period from 24 October 2016 to 31 March 2017, i.e. the period beginning on the day on which Schedule 3 came into operation to the end date of the first financial year of the Authority as defined by the Ordinance.

主席的話

Message from the Chairperson

本人非常榮幸獲行政長官委任為物業管理業監管局第一任主席。本人謹此呈上監管局首份年報，滙報監管局首個財政年度的事務。

I am greatly honoured that the Chief Executive appointed me as the first Chairperson of the Property Management Services Authority (the Authority). I hereby present the first Annual Report of the Authority which gives an account of its first financial year.

政府於 2014 年 5 月向立法會提交《物業管理服務條例草案》，該草案在獲得立法會通過後，於 2016 年 5 月成為《物業管理服務條例》（第 626 章）。

《物管條例》訂明了物業管理業監管局（監管局）的職能及運作。

In May 2014, the Government introduced the Property Management Services Bill to the Legislative Council. Upon passage of the Bill, the Property Management Services Ordinance (the Ordinance) (Cap. 626) was enacted in May 2016. It sets out the functions and operations of the Authority.

監管局是法定獨立監管機構，職能是透過發牌制度規管物業管理服務、推動物管公司及從業員行事持正，以及提升物管業專業地位。主要工作包括制定發牌條件和專業守則，以及審核資歷等事宜。

The Authority is an independent statutory authority responsible for regulating the provision of property management services through a licensing regime, promoting the integrity of property management companies and practitioners, and enhancing the status of the profession of property management services. Its major

tasks include formulation of licensing criteria and Codes of Conduct, and assessment of qualifications, etc.

監管局的成員由行政長官根據《物管條例》委任。第一屆成員共 20 名，來自香港各界，任期 3 年，由 2016 年 12 月 1 日起生效。

Members of the Authority are appointed by the Chief Executive in accordance with the Ordinance. The first board of the Authority comprises 20 members from various sectors of Hong Kong, who serve for a period of three years with effect from 1 December 2016.

監管局在 2017 年 2 月 21 日召開第一次全體會議。會議除討論監管局的職能和運作外，亦通過監管局的議事規則和成員利益申報機制。監管局亦同時通過成立五個常設委員會，負責不同範疇的工作，以協助監管局推進各項籌備工作，為全面推行監管局的職能打好根基。

The Authority held its first board meeting on 21 February 2017, which discussed its functions and operations, and endorsed the rules of procedures and the mechanism for declaration of interests, as well as setting up five standing committees responsible for different aspects to take forward the preparatory work to lay a solid foundation for the full execution of its functions.

報告期內，監管局主要集中策劃監管局全面運作前的籌備工作。在監管局自行聘請職員成立辦事處前，民政事務總署抽調了署內職員為監管局提供臨時秘書處支援，協助推展各項籌備工作。

During the report period, the Authority primarily focused on the preparatory work to prepare for its full operation. Prior to the recruitment of staff for setting up the Authority's office, the Home Affairs Department has redeployed

staff to provide provisional secretariat support for the Authority to assist in taking forward the preparatory work.

由於監管局在報告期內仍未全面開始運作，因此這份周年報告沒有列出關於簽發牌照，處理投訴、聆訊和上訴，進行調查，以及推動物業發展的工作。

As the Authority has yet to commence full operation, there is no report on work in relation to licensing; handling of complaints, hearings and appeals; carrying out of investigations as well as promotion of the development of the property management industry in this Annual Report.

根據《物管條例》，監管局的收入來自徵款，牌照費及罰款。鑑於有關上述收入的相關附屬法例尚未提交立法會審議通過執行，監管局在報告期間沒有上述收入。

In accordance with the Ordinance, the Authority generates income from levies, licence fees and penalties. As the relevant subsidiary legislation on the aforementioned income has yet to be submitted to the Legislative Council for consideration and endorsement, the Authority has not generated any such income during the report period.

為了應付監管局的成立費用和營運初期的開支，監管局向政府貸款基金申請貸款。在臨時秘書處的支援下，我們做好一切前期準備，以冀在資金到位時，立即推進各項工作。

To cope with the set-up costs and initial operating expenses, the Authority has made an application to the Government Loan Fund. With the support of the provisional secretariat, work is underway to make preparation for carrying out various tasks once funds are available.

本人認為來年將會是非常忙碌和重要的一年，監管局將要處理和完成不少既複雜又重要的工作，包括成立行政辦事處、招聘員工、制訂發牌準則、牌照條件、牌照持牌人專業操守守則和相關違規懲處機制，訂定各類牌照的收費水平以及推動行業專業化發展的工作等。本人期盼在下一個年度的報告中，匯報有關工作的進展和成果。

The coming year will be a very busy and important year, with a number of major and complicated tasks to be processed and completed, including setting up the Executive Office; recruiting staff; drawing up licensing criteria, licence conditions, Codes of Conduct for licensees and penalty mechanism for non-compliance; determining levels of licence fees; and promoting the professional development of the industry. I look forward to reporting the progress and results of our work in the next Annual Report.

最後，我藉此機會感謝民政事務總署為監管局提供臨時秘書處工作的支援。

Last but not least, I would like to take this opportunity to thank the Home Affairs Department for providing provisional secretariat support for the Authority.

主席 Chairperson

謝偉銓 Tony TSE Wai-chuen, B.B.S.

《物業管理服務條例》

Property Management Services Ordinance

立法會在 2016 年 5 月 26 通過《物管條例》(第 626 章)。《物管條例》的通過是本地物業管理服務行業發展的一個重要里程碑。根據《物管條例》成立的發牌規管制度，既回應了市民對物業管理服務行業服務質素的關注，亦透過制訂專業操守守則和持續專業發展規劃，鼓勵和協助行業朝向專業化發展。

The Legislative Council endorsed the Property Management Services Ordinance (Cap. 626) (the Ordinance) on 26 May 2016 which is a significant milestone in the development of the property management services industry in Hong Kong. The establishment of a licensing regulatory regime in accordance with the Ordinance not only addresses the public concerns about the quality of service of the industry, but will also encourage and assist the industry to strive for professionalism through the formulation of a professional Code of Conduct and continuing development plan.

監管局作為執行《物管條例》的法定機構，會與業界和其他持分者保持緊密聯繫，廣納意見，盡快制訂各項細則，以冀貫徹落實《物管條例》的立法目標。

As the statutory body responsible for enforcing the Ordinance, the Authority will maintain close liaison with the property management services sector and other stakeholders, collect views and work out the details for achieving the legislative intent of the Ordinance as soon as possible.

物業管理業監管局

Property Management Services Authority

監管局是根據《物管條例》第 42 條成立的法人團體，其主要職能是：

The Authority is a body corporate established in accordance with section 42 of the Property Management Services Ordinance (Cap. 626). Its principle functions are:

(1) 透過發牌照予物業管理公司及物業管理人，規管及管制物業管理服務的提供；

to regulate and control the provision of property management services by the licensing of property management companies and property management practitioners;

(2) 推動物業管理業專業行事持正，並提高該專業的能力及專業性；及

to promote the integrity, competence and professionalism of the profession of property management services; and

(3) 維持和提升物業管理業專業的地位。

to maintain and enhance the status of the profession of property management services.

監管局成員由行政長官委任，第一屆任期 3 年，由 2016 年 12 月 1 日起生效，共 20 名成員，成員名單如下：

Members of the Authority are appointed by the Chief Executive. Twenty members were appointed to the first board for a period of three years with effect from 1 December 2016, including:

主席 Chairperson: 謝偉銓先生 Mr Tony TSE Wai-chuen , B.B.S.

副主席 Vice-Chairperson: 王國興先生 Mr WONG Kwok-hing , B.B.S , M.H.

成員 Members:

譚國榮先生 Mr Ivan TAM Kwok-wing

黃輝成先生 Mr Justin WONG Fai-sing

吳光銘先生 Mr Paul NG Kwong-ming

郭岳忠先生 Mr Dick KWOK Ngok-chung

甄韋喬先生 Mr YAN Wai-kiu , M.H.

黃栢欣女士 Ms Annie WONG Pak-yan

吳韻宜女士 Ms Wendy NG Wan-ye

許智文教授 Professor Eddie HUI Chi-man , M.H.

陳繼宇博士 Dr Jason CHAN Kai-yue , J.P.

陳恒鑛先生 Mr CHAN Han-pan , J.P.

易志明先生 Mr Frankie YICK Chi-ming , S.B.S. , J.P.

葉興國先生 Mr YIP Hing-kwok , M.H. , J.P.

譚領律先生 Mr Lanny TAM , M.H.

鄭麗琮女士 Ms CHENG Lai-king

梁文廣先生 Mr LEUNG Man-kwong

伍翠瑤博士 Dr Jennifer NG Chui-yiu , J.P.

房屋署署長或其代表 Director of Housing or representative

民政事務總署署長或其代表 Director of Home Affairs or representative

機構管治

Corporate Governance

監管局在 2017 年 2 月 21 日的首次會議上，通過設立五個常設委員會，協助監管局履行職能。五個常設委員會分別為：

At its first meeting held on 21 February 2017, the Authority endorsed the establishment of five standing committees for discharging its functions. The five standing committees are:

1. 財務及策略發展常設委員會

Finance and Strategic Development Standing Committee

2. 牌照事務常設委員會

Licensing Standing Committee

3. 作業及審核常設委員會

Practice and Assessment Standing Committee

4. 紀律常設委員會

Disciplinary Standing Committee

5. 專業發展常設委員會

Professional Development Standing Committee

五個常設委員會分別集中跟進不同範疇的工作。各常設委員會最多由 10 名成員組成，成員包括不同界別人士，務求廣納不同持份者的意見，集思廣益。常設委員會的主要職能及成員名單如下。

The five standing committees focus on their respective areas of work. Each standing committee has a maximum of 10 members comprising persons from various sectors, with a view to gathering views from different stakeholders and drawing on their collective wisdom for the benefit of the community. The main functions and memberships of the standing committees are as follows.

財務及策略發展常設委員會

Finance and Strategic Development Standing Committee

此常設委員會的主要職能，是就具長遠影響的策略事宜以及財政預算事務，向監管局提出建議。委員會亦負責協助監管局監督人力資源管理，以及檢討和核准編制架構、重組事宜、人力策劃和人力資源政策及程序的制訂事宜。在監管局成立初期，委員會獲授權處理並決定監管局的實務運作事宜，有關授權範圍並不會涉及監管局在《物管條例》下的法定職能。

The main function of this Standing Committee is to make recommendations to the Authority on strategic issues of long term significance and budgetary matters. It is also responsible for assisting the Authority to oversee human resources management of the Authority and to review and approve establishment structure, re-organisation, manpower planning and development of human resources policies and procedures. At the early stage of the establishment of the Authority, the Committee is authorised to handle and make decisions on the operational matters of the Authority, which do not involve statutory functions of the Authority under the Ordinance.

成員 Membership

主席 Chairperson:

謝偉銓先生 Mr Tony TSE Wai-chuen , B.B.S.

成員 Members:

譚國榮先生 Mr Ivan TAM Kwok-wing

郭岳忠先生 Mr Dick KWOK Ngok-chung

吳韻宜女士 Ms Wendy NG Wan-ye

陳繼宇博士 Dr Jason CHAN Kai-yue , J.P.

易志明先生 Mr Frankie YICK Chi-ming , S.B.S. , J.P.

葉興國先生 Mr YIP Hing-kwok , M.H. , J.P.

譚領律先生 Mr Lanny TAM , M.H.

伍翠瑤博士 Dr Jennifer NG Chui-yiu , J.P.

民政事務總署署長或其代表 Director of Home Affairs or
representative

牌照事務常設委員會

Licensing Standing Committee

此常設委員會負責協助監管局考慮物業管理從業員和物業管理公司提出的牌照申請。委員會並會參與設計和檢討申請表格、牌照表格、牌照登記冊及其他有關牌照文件。委員會亦負責就發牌條件及牌照費用向監管局提出建議。

This Standing Committee is responsible for assisting the Authority to consider applications for licences submitted by the property management practitioners and property management companies. It will also help in designing and reviewing the application forms, licence forms, licence registers and other relevant licence documents. It is also responsible for making recommendations to the Authority on licensing criteria and licence fees.

成員 Membership

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| 主席 Chairperson: | 王國興先生 Mr WONG Kwok-hing , B.B.S , M.H. |
| 成員 Members: | 譚國榮先生 Mr Ivan TAM Kwok-wing |
| | 黃輝成先生 Mr Justin WONG Fai-sing |
| | 吳光銘先生 Mr Paul NG Kwong-ming |
| | 許智文教授 Professor Eddie HUI Chi-man , M.H. |
| | 陳繼宇博士 Dr Jason CHAN Kai-yue , J.P. |
| | 陳恒鑛先生 Mr CHAN Han-pan , J.P. |
| | 葉興國先生 Mr YIP Hing-kwok , M.H. , J.P. |
| | 伍翠瑤博士 Dr Jennifer NG Chui-yiu , J.P. |
| | 民政事務總署署長或其代表 Director of Home Affairs or representative |

作業及審核常設委員會

Practice and Assessment Standing Committee

此常設委員會負責協助監管局制定和檢討專業守則及作業守則，分別規管物業管理公司和物業管理從業員的專業操守及作業方式。如需進行資歷審核，委員會將協助監管局制定審核準則，以及執行審核工作。

This Standing Committee is responsible for assisting the Authority to draw up and review the Code of Conduct and the Code of Practice governing the conduct and practice of property management companies and property management practitioners respectively. Where a qualifying assessment is required, the Committee will assist the Authority to set the parameters of and administer the qualifying assessment.

成員 Membership

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| 主席 Chairperson: | 謝偉銓先生 Mr Tony TSE Wai-chuen, B.B.S. |
| 成員 Members: | 黃輝成先生 Mr Justin WONG Fai-sing |
| | 郭岳忠先生 Mr Dick KWOK Ngok-chung |
| | 甄韋喬先生 Mr YAN Wai-kiu, M.H. |
| | 黃栢欣女士 Ms Annie WONG Pak-yan |
| | 許智文教授 Professor Eddie HUI Chi-man, M.H. |
| | 鄭麗琼女士 Ms CHENG Lai-king |
| | 梁文廣先生 Mr LEUNG Man-kwong |
| | 房屋署署長或其代表 Director of Housing or representative |
| | 民政事務總署署長或其代表 Director of Home Affairs or representative |

紀律常設委員會

Disciplinary Standing Committee

此常設委員會主要負責協助監管局處理紀律個案。委員會將進行其認為合適的研訊，並就監管局應作出的適當紀律處分提出建議。委員會亦會制訂指引及程序，確保處理紀律個案的一致性及公平性，並把有關作業方式不當的個案或投訴轉介其他委員會，以制定或修訂政策、作業守則或規定。

This Standing Committee is primarily responsible for assisting the Authority to handle disciplinary cases. It will conduct such inquiry as it may think fit and make recommendations on the appropriate disciplinary actions to be taken by the Authority. It will also draw up guidelines and procedures to ensure consistency and fairness in handling disciplinary cases and refer cases of malpractice or complaints to other committees for formulation or revision of policies, practice or regulations.

成員 Membership

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| 主席 Chairperson: | 王國興先生 Mr WONG Kwok-hing, B.B.S, M.H. |
| 成員 Members: | 吳光銘先生 Mr Paul NG Kwong-ming |
| | 甄韋喬先生 Mr YAN Wai-kiu, M.H. |
| | 黃栢欣女士 Ms Annie WONG Pak-yan |
| | 吳韻宜女士 Ms Wendy NG Wan-yee |
| | 易志明先生 Mr Frankie YICK Chi-ming, S.B.S., J.P. |
| | 葉興國先生 Mr YIP Hing-kwok, M.H., J.P. |
| | 譚領律先生 Mr Lanny TAM, M.H. |
| | 梁文廣先生 Mr LEUNG Man-kwong |
| | 民政事務總署署長或其代表 Director of Home Affairs or representative |

專業發展常設委員會

Professional Development Standing Committee

為提升物業管理行業的專業水平，此常設委員會擔當與業界聯繫的重任，探討如何提升作業標準和服務質素。委員會亦會聯繫本地專上學院為從業員提供培訓，並會執行持續專業發展的規定。

In order to enhance professionalism in the property management industry, this Standing Committee plays an important role in liaising with the industry to explore ways to improve the standard of practice and the quality of service. It will also liaise with the local tertiary institutes in providing training to individuals and administer continuing professional development requirements.

成員 Membership

主席 Chairperson: 許智文教授 Professor Eddie HUI Chi-man, M.H.

成員 Members: 譚國榮先生 Mr Ivan TAM Kwok-wing

黃輝成先生 Mr Justin WONG Fai-sing

郭岳忠先生 Mr Dick KWOK Ngok-chung

黃栢欣女士 Ms Annie WONG Pak-yan

陳繼宇博士 Dr Jason CHAN Kai-yue, J.P.

陳恒鑛先生 Mr CHAN Han-pan, J.P.

鄭麗琮女士 Ms CHENG Lai-king

房屋署署長或其代表 Director of Housing or representative

民政事務總署署長或其代表 Director of Home Affairs or representative

物業管理業監管局
Property Management Services Authority

財務報表
Statement of Accounts

自 2016 年 10 月 24 日至 2017 年 3 月 31 日期間 ^{附註 1}

Period from 24 October 2016 to 31 March 2017 ^{Note 1}

附註 1 根據《物業管理服務條例》(第 626 章)(《物管條例》)附表 3 第 15(a)條，物業管理業監管局(監管局)的首個財政年度是指自該條文實施當日至其後的 3 月 31 日的期間。由於民政事務局局长已刊憲，指定 2016 年 10 月 24 日為《物管條例》附表 3 開始實施的日期，因此，監管局的首個財政年度為 2016 年 10 月 24 日至 2017 年 3 月 31 日。根據《物管條例》附表 3 第 19 條，此財務報表已由核數師(李福樹會計師事務所)審計，核數師報告夾附於此財務報表。

Note 1 In accordance with section 15 (a) of Schedule 3 to the Property Management Services Ordinance (Cap. 626) (the Ordinance), the first financial year of the Property Management Services Authority (the Authority) refers to the period beginning on the date on which that section comes into operation and ending on the next 31 March. As the Secretary for Home Affairs gazetted and specified the date of commencement of Schedule 3 to the Ordinance as 24 October 2016, the first financial year of the Authority is thus from 24 October 2016 to 31 March 2017. In accordance with section 19 of Schedule 3 to the Ordinance, this Statement of Accounts has been audited by an auditor (F. S. Li & Co.). The Auditor's Report is attached to this Statement of Accounts.

財務報表

Statement of Accounts

收支帳目

Income and Expenditure Statement

| | 附註 | 港元 |
|--|------|----------------|
| | Note | HK\$ |
| 收入 Income | 2 | |
| 徵款 Levy | | - |
| 牌照費 Licence fees | | - |
| 罰款 Penalties | | - |
| | | - |
| 支出 Expenditure | | |
| 員工開支 Staff costs | | - |
| 辦公室及相關開支 Office accommodation and related expenses | | - |
| 營運開支 Operating expenses | | - |
| 核數師酬金 Auditor's remuneration | | 7,500 |
| 其他開支 Other expenses | | 250 |
| | | - |
| 期內盈餘/(虧損) Surplus/(Deficit) for the period | | (7,750) |

附註 2 監管局在 2016 年 10 月 24 日至 2017 年 3 月 31 日期間（報告期間）處於籌備階段，期間沒有任何收入。

Note 2 The Authority was at the preparatory stage during the period from 24 October 2016 to 31 March 2017 (report period), there was no income during the report period.

財務報表

Statement of Accounts

財務狀況表

Statement of Financial Position

於 2017 年 3 月 31 日

At 31 March 2017

| | 附註 | 港元 |
|--|------|---------|
| | Note | HK\$ |
| 非流動資產 Non-current assets | 3 | - |
| 流動資產 Current assets | 3 | - |
| 流動負債 Current liabilities | | (7,750) |
| 流動資產淨值 Net current assets | | - |
| 總資產減流動負債 Total assets less current liabilities | | (7,750) |
| 儲備 Reserve | | (7,750) |

附註 3 監管局在報告期間沒有任何資產（流動或非流動）。

Note 3 The Authority did not have any assets (current or non-current) during the report period.

財務報表

Statement of Accounts

資金變動表

Statement of Changes in Funds

| | 港元 |
|---|---------|
| | HK\$ |
| 期內盈餘/(虧損) | (7,750) |
| Surplus / (Deficit) for the period | |
| 於 2017 年 3 月 31 日 | (7,750) |
| At 31 March 2017 | |

財務報表

Statement of Accounts

現金流量表

Statement of Cash Flows

| | 港元 HK\$ |
|---|----------|
| 期內盈餘 / (虧損) Surplus / (Deficit) for the period | (7,750) |
| 應付款項之增加 Increase in accrual | 7,750 |
| 營運活動所得現金淨額 Net Cash generated from Operating Activities | - |
| 銀行結存及現金 於 2017 年 3 月 31 日 | - |
| Bank balances and cash at 31 March 2017 | |

PROPERTY MANAGEMENT SERVICES AUTHORITY
物業管理業監管局

FINANCIAL STATEMENTS

FOR THE PERIOD FROM 24TH OCTOBER 2016
(date of commencement)

TO 31ST MARCH 2017

F. S. Li & Co.

李福樹會計師事務所

CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

F. S. Li & Co.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT TO
THE PROPERTY MANAGEMENT SERVICES AUTHORITY
(established in Hong Kong under the Property Management Services Ordinance)

Opinion

We have audited the financial statements of Property Management Services Authority ("the Authority") set out on pages 4 to 10, which comprise the statement of financial position as at 31st March 2017, and the statement of comprehensive income, statement of changes in fund and cash flow statement for the period from 24th October 2016 (date of commencement) to 31st March 2017 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Authority as at 31st March 2017, and of its financial performance and its cash flows for the period from 24th October 2016 (date of commencement) to 31st March 2017 in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Property Management Services Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") 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 Authority 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 Authority is responsible for the other information. The other information comprises the information included in the annual 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 on the other information obtained prior to the date of this auditors' report, 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 the Authority and Those Charged Governance for the Financial Statements

The Authority 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 Property Management Services Ordinance, and for such internal control as the Authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Responsibilities of the Authority and Those Charged Governance for the Financial Statements
(continued)**

In preparing the financial statements, the Authority is responsible for assessing the Authority'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 Members either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

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

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 Part 6 of Schedule 3 to the Property Management Services 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members.
- Conclude on the appropriateness of the Members' 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 Authority'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 Authority 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.



F.S. Li & Co.
Certified Public Accountants

Hong Kong, 22nd September 2017

PROPERTY MANAGEMENT SERVICES AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 24TH OCTOBER 2016 (date of commencement)

TO 31ST MARCH 2017

| | <u>HK\$</u> | <u>HK\$</u> |
|--|-------------------|-----------------------|
| INCOME | | - |
| OPERATING EXPENSES | | |
| Auditor's remuneration | 7,500 | |
| Sundry expenses | 250 | |
| | <u> </u> | <u>(7,750)</u> |
| DEFICIT FOR THE PERIOD/TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD | | <u><u>(7,750)</u></u> |

PROPERTY MANAGEMENT SERVICES AUTHORITY

STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2017

| | <u>HK\$</u> |
|----------------------------|----------------|
| CURRENT LIABILITIES | |
| Accruals | <u>(7,750)</u> |
| representing: | |
| RESERVE | |
| Accumulated fund - deficit | <u>(7,750)</u> |

The financial statements on pages 6 to 10 were approved and authorized for issue by the Authority on 22nd September 2017.

| | |
|---|---|
|  _____ Chairperson |  _____ Vice-Chairperson |
|---|---|

PROPERTY MANAGEMENT SERVICES AUTHORITY

STATEMENT OF CHANGES IN FUND

FOR THE PERIOD FROM 24TH OCTOBER 2016 (date of commencement)

TO 31ST MARCH 2017

| | Accumulated <u>fund</u> HK\$ |
|---|------------------------------------|
| Deficit/Total comprehensive expense for the period from 24th October 2016 to 31st March 2017 | <u>(7,750)</u> |
| Balance at 31st March 2017 | <u><u>(7,750)</u></u> |

PROPERTY MANAGEMENT SERVICES AUTHORITY

CASH FLOW STATEMENT

FOR THE PERIOD FROM 24TH OCTOBER 2016 (date of commencement)

TO 31ST MARCH 2017

| | <u>HK\$</u> |
|---|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Deficit for the period | (7,750) |
| Increase in accruals | <u>7,750</u> |
| NET CASH USED IN OPERATING ACTIVITIES | <u><u>-</u></u> |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | <u><u>-</u></u> |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | |
| Bank and cash balances | <u><u>-</u></u> |

PROPERTY MANAGEMENT SERVICES AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST MARCH 2017

1. General

The Property Management Services Authority ("the Authority") was established under the Property Management Services Ordinance (Cap. 626) ("the Ordinance") which was enacted on 26th May 2016, with the principal functions to regulate and promote the development of the property management services industry.

In accordance with section 15 (a) of Schedule 3 to the Ordinance, the first financial year of the Authority refers to the period beginning on the date on which that section comes into operation and ending on the next 31st March. As the Secretary for Home Affairs gazetted and specified the date of commencement of Schedule 3 to the Ordinance as 24th October 2016, the first financial year of the Authority is thus from 24th October 2016 to 31st March 2017.

The Authority was in the preparatory stage during the period. There was no income for the Authority in this period.

2. Principal accounting policies

(a) Basis of preparation

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong, and the Property Management Services Ordinance. The financial statements have been prepared under the historical cost convention.

The Authority has not early adopted new and revised HKFRSs that are not yet effective for the current accounting year. The Authority anticipates that the adoption of them is unlikely to have a significant impact on the Authority's financial statements.

The preparation of the financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. Principal accounting policies (continued)

(b) Functional and presentation currencies

The Authority's functional currency and presentation currency are Hong Kong dollar.

(c) Accruals

Accruals are initially recognized at fair value and thereafter stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(d) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits with banks within 3 months to maturity from date of deposit.

3. Taxation

The Authority is exempt from Hong Kong tax under Section 87 of the Inland Revenue Ordinance.

4. Financial assets and liabilities

(a) Categories of financial assets and liabilities

| | |
|---|---------------------|
| | <u>HK\$</u> |
| <u>Financial liabilities</u> | |
| Current liabilities, at amortized cost: | |
| Accruals | <u><u>7,750</u></u> |

(b) Financial risk management objectives and policies

In the reporting period, the Authority was not exposed to significant foreign currency risk, interest rate risk and credit risk.

Liquidity risk is restricted as the Authority regularly monitors current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

As at 31st March 2017, the contractual maturities of all the Authority's financial liabilities, whose carrying amounts are equal to total contracted undiscounted cash flows, are due within one year.

4. Financial assets and liabilities (continued)

(c) Fair values

All financial liabilities are carried at amounts not materially different from their fair values as at 31st March 2017. The fair value is estimated as the present value of future cash flows, discounted at current market interest rate.

5. Capital management

The Authority's capital management objectives are:

- (a) to ensure the Authority's ability to continue as a going concern; and
- (b) to achieve the Authority's goals.

"Capital" comprises the Accumulated fund.

The Authority monitors the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Authority may adjust the fee from property management service providers.