

INTERNET & TELECOM ASSOCIATION OF HONG KONG

The 22nd Annual General Meeting

Report on the Statement of Accounts for the year ended 31st March 2005

By Honorary Treasurer, Mr. Franky Lai

I. Balance Sheet

As at 31st March 2005, the Association's Current Assets totaled HK\$1,186,000 which included accounts receivable of HK\$41,000, cash and bank balance of HK\$1,040,000 and a custodian fund for "Mobile Phone Batteries Recycling and Recovery Program" of HK\$105,000.

Our capital mainly consisted of Entrance Fees and Accumulated Funds. Balance of entrance fees as at 31st March 2005 was HK\$1,424,000 and "receipts from new members" during the year was HK\$48,000.

II. Income and Expenditure Account

The Association received a total income of HK\$1,136,000 for the year, in which HK\$485,000 was generated from membership annual fees; HK\$445,000 from the directories sales; HK\$74,000 from Golf Cup; HK\$113,000 from Luncheons & AGM Receipts; and HK\$17,000 from Delegation to Beijing.

Total expenditures for the year amounted to HK\$1,105,000. The major expenditures were HK\$215,000 on the publication of "2005 Official Guide to Telecommunications in Hong Kong"; HK\$71,000 on Golf Cup; HK\$108,000 on Luncheons and Annual General Meeting; and HK\$580,000 on staff salaries.

There is a slight surplus after taxation of around HK\$18,000.

III. Analysis on the Statement of Accounts

- The Association had recruited 6 new Full Members contributing HK\$48,000 Entrance fees for the Association.
- The publication of “2005 Official Guide to Telecommunications in Hong Kong” had enabled us to achieve a substantial income contribution to the Association from the sales of advertising on the guidebook.
- As an industry organization, members are our invaluable intangible assets. During the year, we had organized different events and functions in order to provide excellent opportunity for members to enhance business relationships.

IV. Conclusion

The Association is pleased to announce a slight surplus for the financial year ended 31st March 2005. We have demonstrated our prudent control on our operating costs while capitalizing opportunities to organize high quality activities for our valuable members.

As a non-profit organization, we always emphasize on providing more benefits and raising the standard of service to all members. The current relatively high level of financial reserve have indicated a healthy financial situation of the Association, we are certain that we can drive more activities and functions for the benefit of the Association's members in the years to come.

For the current fiscal year, it is anticipated that the Association will continue to maintain a healthy balanced account and we are counting on the enthusiastic support from our valuable members to create a better future for the Association.

Franky Lai

17th June 2005