

**Convergent International Travel Development Company Limited**

**匯智國際旅遊發展有限公司**

**2016**

Directors' Report and Financial Statements  
for the period from 8 September 2015 (date of incorporation) to 31 December 2016

# **Convergent International Travel Development Company Limited**

## **Report of directors**

The directors present their first report and the audited financial statements for the period ended 31 December 2016.

## **Waiver of compliance of certain provisions of the Hong Kong Companies Ordinance as to financial statements**

In respect of the period ended 31 December 2016, the company is entitled to take advantage of the exemptions permitted under Section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) by adoption of that Section to waive certain compliance in relation to the preparation of its financial statements for the period ended 31 December 2016.

## **Principal activity**

The company is engaged in trading of travel related products.

## **Results and appropriations**

The profit of the company for the period ended 31 December 2016 and the state of its affairs as at 31 December 2016 are set out in the financial statements on pages 5 to 10.

## **Share capital**

Details of the capital of the company are set out in note 7 to the financial statements.

## **Directors**

The directors of the company during the period and up to the date of this report were: -

Xie Tian *(Appointed on 8 September 2015)*

Chen Yong Jun *(Appointed on 8 September 2015)*

In accordance with the company's articles of association, all the directors continue in office.

## ***Directors' service contracts***

No contracts for management and administration of the whole or any substantial part of the business of the company were entered into by the company or existed during the period.

## **Convergent International Travel Development Company Limited**

### **Report of directors**

#### **Indemnity of directors**

At no time during the financial period were there any permitted indemnity provisions in force for the benefit of one or more directors of the company.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the company.

#### **Auditor**

Probiz CPA Limited was first appointed as auditors of the company. A resolution for the reappointment of Probiz CPA Limited as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

#### ***By Order of the Board***



***Director***

Xie Tian

Hong Kong, 16 OCT 2017

**Independent auditor's report**

**To the member of Convergent International Travel Development Company Limited**  
*(Incorporated in Hong Kong with limited liability)*

**Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Convergent International Travel Development Company Limited set out on pages 5 to 10 which comprise the statement of financial position as at 31 December 2016, and the income statement for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard 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 company 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 audit opinion.

***Responsibilities of directors for the financial statements***

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA 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.

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

The directors are also responsible for overseeing the company's financial reporting process.

**Independent auditor's report**

**To the member of Convergent International Travel Development Company Limited**  
*(Incorporated in Hong Kong with limited liability)*

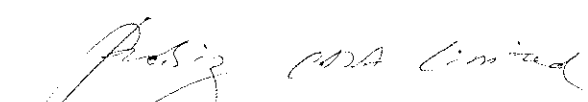
***Auditor's responsibilities for the audit of the financial statements***

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 company to cease to continue as a going concern.

We communicate with directors 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.



**Probiz CPA Limited**  
Certified Public Accountants  
Hong Kong, 16 OCT 2017



**Poon Hon Yin**  
Practising Certificate number P03061

# **Convergent International Travel Development Company Limited**

## **Income statement**

**For the period from 5 September 2015 (date of incorporation) to 31 December 2016**

	<i>Note</i>	<i>Period from 5 September 2015 to 31 December 2016 HK\$</i>
<b>Revenue</b>	2	89,712,240
Cost of sales		(84,148,539)
Gross profit		<hr/> 5,563,701
Other income		392
General and administrative expenses		(5,362,707)
<b>Profit from ordinary activities before taxation</b>	3	<hr/> 201,386
Taxation	5	(13,164)
<b>Profit from ordinary activities after taxation</b>	3	<hr/> <hr/> 188,222


The notes to pages 7 to 10 form part of these financial statements.

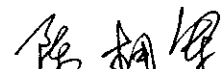
# Convergent International Travel Development Company Limited

## Statement of financial position as at 31 December 2016

	<i>Note</i>	<b>2016 HK\$</b>
<b>Current assets</b>		
Cash at banks and on hand		1,066,847
		-----
<b>Current liabilities</b>		
Amounts due to shareholders	6	810,461
Accruals		45,000
Tax payable		13,164
		-----
		868,625
		-----
<b>Net assets</b>		198,222
		-----
<b>Capital and reserves</b>		
Share capital	7	10,000
Retained profits	8	188,222
		-----
		198,222
		-----

Approved and authorised for issue by the board of directors on 16 OCT 2017

  
 \_\_\_\_\_  
**Director**  
 Xie Tian

  
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**Director**  
 Chen Yong Jun

The notes to pages 7 to 10 form part of these financial statements.

## **Convergent International Travel Development Company Limited**

### **Notes to the financial statements**

The company is carrying engaged in trading of travel related products. The company is a limited liability company incorporated in Hong Kong. The address of its registered office and place of business is located at Room 1403B, Sino Centre, 582 Nathan Road, Mongkok, Kowloon, Hong Kong.

#### **1. Basis of preparation and accounting policies**

The company qualifies for the reporting exemption as a small private company under Section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statement in accordance with Small and Medium-sized Entity Financial Reporting Standard ('SME-FRS') issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under accrual basis of accounting and on the basis that the company is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

##### *(a) Income tax*

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is not provided.

##### *(b) Income recognition*

Provided it is probable that the economic benefits will flow to the company and the revenue and costs, if applicable, can be measured reliably, revenue from the sale of products is recognized when the goods are delivered and title has passed.

#### **2. Revenue**

Revenue represents the gross amounts received and receivable for goods sold.



# **Convergent International Travel Development Company Limited**

## **Notes to the financial statements (continued)**

### **3. Profit before taxation**

	<i>Period from 8 September 2015 to 31 December 2016 HK\$</i>
Profit before taxation is arrived at after charging :-	
Auditor's remuneration	20,000
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### **4. Directors' remuneration**

Directors' remuneration disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance is as follows:-

	<i>Period from 8 September 2015 to 31 December 2016 HK\$</i>
Fee	-
Other emoluments	-
	<hr/>
	<hr/>

### **5. Taxation**

(a) Taxation in the income statement represents:-

	<i>Period from 8 September 2015 to 31 December 2016 HK\$</i>
Provision for Hong Kong Profits Tax	13,164
	<hr/>

The Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period.

# Convergent International Travel Development Company Limited

## Notes to the financial statements (continued)

### 5. Taxation (continued)

(b) Reconciliation between tax expense and accounting results at applicable tax rates

	<b>2016</b> <b>HK\$</b>
Profit before tax	201,386
Notional tax at 16.5%	33,227
Tax effect on non-taxable revenue	(65)
Tax effect on tax allowance	(20,000)
Actual tax expense	13,162

### 6. Amounts due to shareholders

The amounts due to shareholders are unsecured, interest free and no fixed term of repayment.

### 7. Share capital

	<b>2016</b> <b>No. of shares</b>	<b>2016</b> <b>HK\$</b>
<i>Issued and fully paid</i>	10,000	10,000

Upon incorporation, 10,000 subscriber shares were issued for cash at HK\$1 for the initial capital of the company.

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the company do not have a par value.

### 8. Retained profits

	<b>Share capital</b> <b>HK\$</b>	<b>Retained profits</b> <b>HK\$</b>	<b>Total</b> <b>HK\$</b>
Shares issued on incorporation	10,000	-	10,000
Profit for the period	-	188,222	188,222
Balance at the 31 December 2016	10,000	188,222	198,222

## **Convergent International Travel Development Company Limited**

### **Notes to the financial statements (continued)**

#### **9. Related party transactions**

In addition to the transactions and balances detailed elsewhere in these financial statements, the company had the following transactions with related party:

During the period, the company received the revenue from Ding Ding International Online Travel Development Company (“DingDing”) amounted to HK\$89,712,240. Mr. Xie Tian, a director of the company, is the beneficiary owner of DingDing .