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Formation

On 3rd September, 1956, 27 architects gathered and formed a Society “for the general advancement of Civil Architecture and for promoting and facilitating the acquirement of the knowledge of the various Arts and Sciences.” Thus The Hong Kong Society of Architects was formed. On 7th May, 1957, the first amendments were made, to stand for over two and a half years. During this period the membership of the Society increased by 50% and recognition as an Allied Society was given by Royal Institute of British Architects. In accord with this growth further amendments were made to come into effect on 3rd November, 1959. By the end of 1962, the Society expanded to a membership seven times as large as that first body of foundation members.

The changes of name from Society to Institute was effected in 1972 after a great deal of preparatory work, and has initiated a new phase of activity in the Institute’s affairs. Members will use the professional affix - Architect HKAIA and describe themselves as Member of The Hong Kong Institute of Architects. Associates will describe themselves as Associate of The Hong Kong Institute of Architects in full. No abbreviation of this is permitted.

Purpose

The two main purposes of the Institute are to continue to raise both the standard of architecture in Hong Kong and the standard of professional services offered by its members.

Code of Professional Conduct

In addition to the responsibilities of architects as professionals under law, members of the Institute are governed by a Code of Professional Conduct. This Code aims to provide the standard of professional conduct and self-discipline required of the members of the Institute in the interest of the general public.

Discipline

A Architect’s code of conduct is bound to be in contradiction of the Code of Discipline, if the principle of the Code is liable to reprimand, suspension or expulsion. This ensures that the public receives from HKAIA members only the highest standard of professional service.

Service to the Public

The Institute also serves the public by applying the collective expertise of its members in an advisory role to government and to the building industry. Today, HKAIA is represented in numerous consultative or advisory bodies ranging from a working group which consults the drafting of new building and planning legislation to a committee which formulates standard contracts for use in the building industry.

Architectural Education

In the field of education, the Institute works closely with the two Universities, namely, the University of Hong Kong and the Chinese University of Hong Kong and offers courses and counsel in professional practice and practical experience in architecture.

Professional Qualification

Every year, candidates aspiring to the professional qualification of Architect sit a professional examination held by the Institute. Successful candidates receive recognition not only from professional bodies in Hong Kong but also in the U.K., Australia, Canada, USA and other countries.

International Participation

In recent years, the Institute has taken Hong Kong to the fore in international circles through its active participation in the International Union of Architects (UIA), the Commonwealth Association of Architects (CAA) and the Architects Regional Council of Asia (ARCSA).

Organization

Today, The Hong Kong Institute of Architects has more than 1800 full members and over 400 associate members and graduate members. The Institute is governed by a Council formed by a President, two Vice-Presidents, an Honorary Secretary, an Honorary Treasurer and 14 Council members. The Council appoints 5 Boards, each charged by a member of the Council, to deal with specific areas in the objectives of the Institute. They are the Board of Internal Affairs, the Board of External Affairs, the Board of Educational Affairs, the Board of Local Affairs and the Board of Practices. These Boards in turn appoint committees to deal with matters within the area of responsibility of the Board.

Past Presidents of HKAIA

<table>
<thead>
<tr>
<th>Year</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>G D Su</td>
</tr>
<tr>
<td>1957</td>
<td>G D Su</td>
</tr>
<tr>
<td>1958</td>
<td>A.M. Wright</td>
</tr>
<tr>
<td>1959</td>
<td>H.G. Robinson</td>
</tr>
<tr>
<td>1960</td>
<td>W. Stoel</td>
</tr>
<tr>
<td>1961</td>
<td>W. G. Gregory</td>
</tr>
<tr>
<td>1962</td>
<td>G Chadwick Dovey</td>
</tr>
<tr>
<td>1963</td>
<td>G Chadwick Dovey</td>
</tr>
<tr>
<td>1964</td>
<td>W K Law</td>
</tr>
<tr>
<td>1965</td>
<td>H. Cooke</td>
</tr>
<tr>
<td>1966</td>
<td>T.L. Kocko</td>
</tr>
<tr>
<td>1967</td>
<td>Alan Fisch</td>
</tr>
<tr>
<td>1968</td>
<td>Alfred J. Alkoks</td>
</tr>
<tr>
<td>1969</td>
<td>Ian James Campbell</td>
</tr>
<tr>
<td>1970</td>
<td>Leslie Chau Ching Yang</td>
</tr>
<tr>
<td>1971</td>
<td>Jon A Prescott</td>
</tr>
<tr>
<td>1972</td>
<td>Jon A Prescott</td>
</tr>
<tr>
<td>1973</td>
<td>Jackson C S Wong</td>
</tr>
<tr>
<td>1974</td>
<td>Jackson C S Wong</td>
</tr>
<tr>
<td>1975</td>
<td>Andrew Lee King Fun</td>
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<tr>
<td>1976</td>
<td>Andrew Lee King Fun</td>
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<td>1977</td>
<td>William W T Fau</td>
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<tr>
<td>1978</td>
<td>William W T Fau</td>
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<tr>
<td>1979</td>
<td>Lawrence K Y Lo</td>
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<td>1980</td>
<td>Lawrence K Y Lo</td>
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<tr>
<td>1981</td>
<td>Ronald C Y Poon</td>
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<td>1982</td>
<td>Ronald C Y Poon</td>
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<tr>
<td>1983</td>
<td>Edward S T Fau</td>
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<td>1984</td>
<td>Edward S T Fau</td>
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<td>1985</td>
<td>Edwin Wong</td>
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<td>1986</td>
<td>Edwin Wong</td>
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<td>1987</td>
<td>James H Kinoshita</td>
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<td>1988</td>
<td>James H Kinoshita</td>
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<tr>
<td>1989</td>
<td>Christopher Hafner</td>
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<td>1990</td>
<td>Christopher Hafner</td>
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<td>1991</td>
<td>Stephen S C Poon</td>
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<tr>
<td>1992</td>
<td>Stephen S C Poon</td>
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<td>1993</td>
<td>Dennis W K Lau</td>
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<tr>
<td>1994</td>
<td>Dennis W K Lau</td>
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<tr>
<td>1995</td>
<td>W N Chang</td>
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<td>1996</td>
<td>W N Chang</td>
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<td>1997</td>
<td>W N Chang</td>
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<tr>
<td>1998</td>
<td>W N Chang</td>
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<tr>
<td>1999</td>
<td>Barry F. Will</td>
</tr>
<tr>
<td>2000</td>
<td>Barry F. Will</td>
</tr>
<tr>
<td>2001</td>
<td>Patrick S S Lau</td>
</tr>
<tr>
<td>2002</td>
<td>Patrick S S Lau</td>
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</tbody>
</table>
We, the undersigned being met together on the third day of September in the year one thousand nine hundred and fifty-six and being desirous of forming a Society in the Colony of Hong Kong for the general advancement of Civil Architecture and for promoting and facilitating the attainment of the knowledge of the various Arts and Sciences connected therewith do hereby band ourselves together in a society to be known as the Hong Kong Society of Architects and do undertake as foundation members to subscribe to the funds and be bound by the Rules of the Society and do further declare and agree as follows:

1. that the society shall consist of members, honorary members, associates, graduates and students;
2. that the society shall elect and be governed by a council consisting of a president, two vice-presidents, and such other officers and members of council as it may decide;
3. that the society shall make such rules for its own good governance and the conduct of its members as it may from time to time think fit;
4. that the society shall have power in its corporate name to acquire, hold and dispose of property and funds and shall to this end comply with ordinances of the government of Hong Kong;
5. that the society shall invite and have as its patron a person of eminence in colony.

1. J T Mallorie
2. J S Hirst
3. D C Farrow
4. R J Phillips
5. Faitone Wong
6. W W C Sheung
7. Pak C Kwong
8. Stanley Kwok
9. T S C Feitham
10. G G Djon
11. Koon Hing Cheang
12. A J Brandt
13. A V Alavars
14. Patricia Mayne
15. W Elder Levie
17. A M J Wright
18. J B Asken
19. T C Yuen
20. Wm S Ing
22. William Ting
23. Bjorn Nedberg
24. G Hollmann
25. W G Gregory
26. G D Su
27. David P Crease

Subscribed by the foundation members at the second inaugural meeting of the society on 3rd September, 1956.
There is no denying that this has been both a difficult and eventful year. It is not an act of immortality to say that we have come out of it in flying colours and that we have achieved quite a lot during the past 12 months, but there are also important tasks facing us in the coming year, which I hope Council will be more than capable of seeing through.

Internal Affairs

Early this year we set out to reorganise the internal administration of the secretariat, and this has been achieved with some success, resulting in cost saving and greater efficiency. We are still in the process of upgrading our web site, and much remains to be done to enhance our capacity for electronic communication.

The Institute’s premises need a face-lift. A lot of preparation has been done but we are still looking at the costs and alternatives, before we are ready to commission the work. In the longer term, we are looking for an “Architects’ Centre” and we are actively lobbying Government to allocate a historic building for this purpose.

The Institute has been busy with publications, and very soon you will receive very good-looking, and hopefully readable, brochures on the Annual Awards, the School Competition, the Young Architects Awards and, perhaps later next year, one on “A Hundred Years of Architecture”. I sincerely hope such excellent efforts can be sustained, because, for a learned society, no amount of image building can match a good portfolio of publications, and this is certainly an area where money is well spent.

External Affairs

The main thrust of our external affairs in the past year has been negotiations for reciprocal recognition of professional qualifications with the Mainland. A provisional agreement was signed in October, and we hope that the final agreement will be ready for signing in early 2004. However, this agreement will come with annual quotas for admission to practice in the Mainland and we hope members will understand that there is insurmountable difficulty in asking for more.

Looking beyond China, the Institute has been maintaining our traditional links with the international community of architects, and I hope our ties with overseas professional institutions will be strengthened. Next year’s ARCSIA conference, to be held in Macau, will give us an excellent opportunity to renew ties with our neighbours. This is also an area where we should not be afraid to commit greater resources.

Education and membership

Since you approved mandatory CPD last year, the Institute has been very active in organising learning events, which are designed to upgrade the professional skills of our members. Attendance at these sessions has been consistently good, and personally I look forward to more rigorous rules in future, to supervise and enforce the mandatory aspect of this programme.

Our membership has not grown as much as we would like to see, even after the introduction of the class of “associate member”. New admissions were largely set off by retirements and resignations and we remain far fewer in number than surveyors and engineers. We also need to look after our fellows and young members in a more caring way, and I hope this will reinforce the sense of cohesion among the Institute’s membership.

We have been taking an active interest in education, and there was good, regular communication with the two schools of architecture. While it is not the Institute’s business to run the schools, we do have a duty to make our views known to them in the interest of maintaining quality of training for the profession, particularly when we are facing strong outside competition.

Local affairs

The year has also witnessed more hardships for the profession and social upheavals in the wider community. The Institute has been active in local affairs, assisting government bodies and non-government organisations in projects of public interest. We have conducted a number of forums for members to air their views on public affairs and the Institute has taken a balanced but unequivocal stand on issues such as reclamation in Victoria Harbour, proposed development of the West Kowloon cultural hub, new government headquarters at the Tamatar site, urban renewal strategy and development control in the wake of SARS, and, not least, the controversial Government bill on ‘Article 23’.
9. Board of External Affairs Committee formed to date
   - Academic Exchange Committee (chaired by Mr. Ethel Hugh)
   - ARCASIA/CIA Committee (chaired by Ms Alice Young)
   - UIA Committee (chaired by Ms Carmen Wong)

10. International Conference / Overseas Meeting
    Chinese University of Hong Kong, School of Architecture (CUHK) and NABAR
    7 representatives of HKIA and ARB visited and met with representatives of ASC, Architects Registration Board of
    China (NABAR) and Ministry of Construction. It was agreed to establish a work group, with 5 representatives
    from each side, to further discuss mutual recognition matters.

11. Coalition of Professional Services - Visit to Shanghai
    The Institute, under the Coalition of Professional Services, has entered into an agreement with the Shanghai
    Experts Association for mutual recognition of professional qualifications on a temporary basis. A visit to Shanghai
    was made in 14 to 16 January 2003 to further discuss implementation issues.

12. HKIADC Hong Kong Real Estate Services Expo
    This event was held in Guangzhou from 3 to 5 March 2003 and HKIA was one of the co-organisers. The President
    and Vice President, Mr. Edward Shen attended their press conference in Hong Kong and Guangzhou respectively.
    The Institute has joined the exhibition and the President also spoke at the Expo session held on 4 March 2003.

13. Exclusion 2003
    52 participants have registered for the overseas excursion to France, including HKIA members, their family
    and friends and 2 student representatives. The excursion would be held from 16 to 26 April 2003.

14. Board of Local Affairs Committee formed to date
    - Planning & Land Committee (chaired by Mr. Vincent Ng)
    - Building Ordinance Committee (chaired by Mr. Bernard Hui)
    - Environment & Sustainable Development Committee (chaired by Mr. M.K. Loo)
    - Construction Committee (chaired by Mr. Paul Chu)
    - School Building Design Committee (chaired by Mr. Clement Chu)
    - Heritage & Conservation Committee (chaired by Mr. Kenneth Tam and Mr. Dominic Wong)

15. Appointment to Government / Quasi-Government Committees
    Study on Dispute Resolution / Avoidance Mechanisms
    Edwin Choy, James Lee & Edward Shen were nominated to the captured study initiated by Environment, Transport
    and Works Bureau of HK/SA Government.

16. Board of Review (Inland Revenue Ordinance)
    Marvin Chen, Anna Kwong, Edward Shen and Jason Yuen were nominated to serve on the Board of Review.

17. Land and Building Advisory Committee (LBAC) and its Sub-Committees
    The following members were nominated:

    Committee/ Sub-committee
    LBAC                     N/A
    Land Sub-committee       Lam Wo Hei
    Building Sub-committee   Bernard Hui
    Planning Sub-committee   Thomas Lam & CM Chan
    Vincent Ng

18. Preservation of Walled Community of Ng Tsin Wai
    A letter responding on the captioned was sent to Dr Patrick CP Ho, the Secretary for Home Affairs for
    consideration. The same copy was sent to Legislative Council and to Press for attention and it is available on the
    HKIA website.

19. Press Release by Urban Design Alliance on Tolo Harbour Noise Barrier
    A Press Release on the captioned issue was released and it is available on the HKIA website for members' information.

20. Workshop on Seaview Building, Repulse Bay by Southern District Office
    A Workshop on the captioned jointly organized by the HKIA and Southern District Office was held on 4 March
    2003.
1st Quarterly General Meeting
Hon Secretary’s Quarterly Reports 2003
12 March 2003

Board of Internal Affairs – Committees formed to date

1. Community Development Committee (chaired by Mr. Daniel Chau)
2. Publication & Information Committee (chaired by Mr. Edwin Chan)
3. HKIA.net Committee (chaired by Mr. William Tang)
4. Young Architects’ Award & Activities Committee (chaired by Mr. Vincent Ng)
5. A Century of Hong Kong Architecture Committee (chaired by Mr Corrin Chan)

Quality Building Award 2004 Committee (chaired by Mr. Joseph Kwan)

2. Professional Induction Workshop

In accordance with the Institute’s new Professional Assessment System, 25 Non-Local Professors joined the first Professional Induction Workshop and the Professional Interview on 30 November and 14 December 2002 respectively.

3. The Young Architects’ Award 2002 – Architects’ Archive

Mr. Chu Hoi Shan, Paul and Mr. Lui Tat Man, Frankie won the Young Architects’ Award 2002 while Mr. Tong Yee Hang, Arthur was Honourable Mentioned. The competition theme was: ‘Architects’ Archive’.

This year, the committee had received a record-breaking number of entries. The jury panel included Mr. Gary Cheung, Mr. Christopher Law, Mr. Andrew Lums of Urban Renewal Authority, Mr. Kenneth Tam of Architectural Services Department, Mr. S. Li, Cheung of Hon Chow K.N. Godfrey Yeh Education Fund and Ms. Michelle Viger of Asian Cultural Council.

4. Guided Architectural Tour

Since its inception in mid June 2002, over 450 visitors joined the architectural tour and commented that they had been overwhelmingly impressed. In 2003, its scope will expand to take in other areas.

A Media Tour was held on 21 February 2003 with Mr. Vincent Ng and Mr. Joe Lui as HKIA guides to introduce the Central to several media.

5. HKIA First Annual Christmas Party

The Christmas Party was held on 8 December 2002 after the Annual General Meeting 2002. Over 70 HKIA Members and guests attended.

6. A Century of Hong Kong Architecture

The Committee “A Century of Hong Kong Architecture Committee” was formed in December 2002. The main objective is to set up an architecture archive containing valuable materials of Hong Kong Architecture from 1841 to 2000.

7. Quality Building Award 2004

Hong Kong Institute of Architects was nominated as the hosting body of the Second Biennial Quality Building Award 2004 with Mr. Joseph Kwan, Past Vice President as the Chairman of the Organizing Committee (OC). The Programme will include the formation of the joint professional OC Team, consisting of Representatives from nine professional bodies and property-related organizations, namely the Hong Kong Institute of Architects, The Hong Kong Institute of Construction Managers, Building Division, Building Services Division and Structural Division of The Hong Kong Institution of Engineers, The Hong Kong Institute of Housing, The Hong Kong Institute of Surveyors, Hong Kong Quality Assurance Agency and The Real Estate Developers Association of Hong Kong.

8. Annual Awards 2002

A record-breaking of 82 nominations were received by the deadline of submission on 31 December 2002. According to record, there were 76 nominations in 1999, 66 in 2000 and 67 in 2001.

The Jury Panel was composed of:
- Prof. John Burnett, Chair Professor, Department of Building Services Engineering, The Hong Kong Polytechnic University
- Prof. Easy Barnabas, Chair Professor, Department of Architecture, The Chinese University of Hong Kong
- Mr. Jean-Marie Charpentier, President of the International Institute of Architects
- Mr. S.J. Leung, President, Hong Kong Institute of Architects
- Mr. Philip Lam, President, Hong Kong Institute of Architects
- Mr. Phillip Yiu Wai, Chair, Philip Lau & Partners Limited (Representing the young architects)

A Press Conference will be held on 16 March afternoon at HKIA Premises announcing the result. On 17 March 7.00 p.m., an Opening Ceremony would be held at Park Court, Pacific Place, commencing with a Cocktail Reception. The Hon. Antony Leung, GBS, JP, Financial Secretary of the HKSA, has graciously agreed to be our Guest of Honour for the occasion.

1. HKIA First Quarterly General Meeting
We have also been handling the media with good skills, generally elevating the profile of the Institute and proving our ability to exercise leadership where the public looks to us for guidance. The coming challenge will be to continue to take a clear stand on professional, moral and social issues, while keeping the Institute out of the roughness of the general political arena.

Professional practice

In looking after the interests of member practices, we have been taking strong and principled positions, in areas of fees and criteria of appointment for public works. We have also been monitoring invitations for submissions on a competitive basis and making our views known to non-government organisations. The challenge ahead will be to encourage fair competition among member practices, while refining our rules and regulations in a way that they can be more readily enforced.

The Institute has members sitting on a number of government and quasi-government boards and committees. The Board of Practices has maintained good contacts with these members to ensure that the views of the member practices were duly reflected. Relations with government departments and non-government agencies were well looked after by inviting officials regularly to forums and social functions, and I hope this good practice will continue.

Finance

Lastly, you will be pleased to read from the Honorary Treasurer’s report that your Institute is enjoying good financial health. However, this state of wellbeing should not be taken for granted. The challenge facing the Institute will be to maintain a standard of service that measures up to members’ expectation and to prevent a long-term decline in revenue. I don’t think we should be complacent, particularly when we still have a sizable reserve. However, we have to be careful that we are not led into extravagant projects that we can ill afford. I have faith that your Council will continue to exercise financial prudence.

I would like to take this opportunity to thank all of you for your relentless support of the Institute during the past year, and I am particularly grateful to Council members, with whom I have had the pleasure of enjoying an excellent working relationship. May the Institute continue to prosper and may God bless you and keep you!

John PL Wong
President HKIA
17 December 2003
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Hong Kong dollars)

5. Profit before taxation

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before taxation</td>
<td>$6,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>and after adjustment</td>
<td>$174,000</td>
<td>$184,658</td>
</tr>
</tbody>
</table>

6. Taxation

(a) Taxation in the income statement represents:

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for Hong Kong profit tax at 17.5% on the estimated assessable profit for the year</td>
<td>$21,282</td>
<td>$20,634</td>
</tr>
<tr>
<td>Tax penalty paid</td>
<td>$1,307</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$22,589</td>
<td>$21,941</td>
</tr>
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</table>

(b) Taxation in the balance sheet represents:

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for Hong Kong profit tax for the year</td>
<td>$21,282</td>
<td>$20,634</td>
</tr>
<tr>
<td>Provisional profit tax paid</td>
<td>(1,077)</td>
<td></td>
</tr>
<tr>
<td>Profit before taxation adjusted</td>
<td>$19,905</td>
<td>$19,557</td>
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7. Interests in an associated company

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<tr>
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<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlisted shares, at cost</td>
<td>$1</td>
<td>$1</td>
</tr>
</tbody>
</table>

Particulars of the associated company is as follows:

<table>
<thead>
<tr>
<th>Name of company</th>
<th>Country of Incorporation and operation</th>
<th>Percentage of Ordinary shares held directly</th>
<th>Principal Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Star Creation Development Limited</td>
<td>Hong Kong</td>
<td>50%</td>
<td>General trading</td>
</tr>
</tbody>
</table>

Share of post-acquisition losses not dealt with in the accounts amounted to HK$370,523 (2002: HK$215,631) of which HK$215,631 (2002: HK$81,084) were related to prior years.

A Confidential General Meeting
Hon Secretary Report, 18 June 2003

1. Coalition of Professional Services

The Coalition has set up an Aspergillus Charitable Trust to provide financial assistance to medical staff and members of the public who have been affiliated with SARS. Mr. Edward Shen, Vice President is the co-ordinator of the Land and Buildings Sector for this campaign.

Part of the Trust’s funding would be used for Project E, a scheme to repair the damaged pipes of Block E, Amoy Garden and all the work would be done on voluntary basis. The purpose was to show support and set a good example to all owners and occupants of buildings units in Hong Kong.

3. Quality Building Award 2004

A new organization, the Hong Kong Construction Association Ltd. (HKCA) had agreed to join the Quality Building Award 2004 Organising Committee (QBA2004 OCS). The OC currently consists of 10 bodies, namely HKIA, HKCA, HKIR, HKIE, HKIB, HKID, HKIS, HKIK, HKOA & REDA.

4. A Century of Hong Kong Architects

There was a grant of $15,000 given by the Lord Wilson Heritage Trust. A committee was formed and had successfully interviewed 5 senior architects (Andrew Leu, Donald Lai, Edwin Wong, Edward Ho and June Leu). More interviews would be conducted including architects and non-architects. There was close partnership with AMO in identifying a place for an architecture archive. One of the possible places was the former Museum of History in Kowloon Park.

5. Welfare & Activities Committee

The Committee was newly formed which would focus in organizing leisure activities and identifying benefits for Members. Tactically the activities would be divided into 4 Sectors: Artists Sector, Owners Sector, Festival Sector and Sports Sector. Promotion material will be launched soon.


9. Vice President presents souvenir to Mr Michael Sun, grant of Honour, on 17 March 2003

10. HKIA Annual Awards 2002, Press Presentation and Exhibition Opening Ceremony was held at the Park Court, Pacific Place

Board of External Affairs (BEA)

10. International Conference / Overseas Meeting

UNIT Professional Practice Committee Meeting, Tokyo, 4-6 April 2003

Mr. Tony Tang represented HKIA to attend the captured meeting.

Ministry of Construction 2003 Conference on "Construction Services & Management"

HKIA was one of the co-organizers of the conference. The Institute has invited Mr. S. H. Pau to represent HKIA to sit on the Technical Paper Selection Committee for voting.
8. Property, plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>Investment Property</th>
<th>Office Equipment</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Balance at 30/09/2002</td>
<td>$2,400,000</td>
<td>$6,650</td>
<td>$2,406,650</td>
</tr>
<tr>
<td>Surplus on revaluation</td>
<td>100,000</td>
<td></td>
<td>100,000</td>
</tr>
<tr>
<td>Balance at 30/09/2003</td>
<td>$2,500,000</td>
<td>$6,650</td>
<td>$2,506,650</td>
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Aggregate depreciation:

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<tbody>
<tr>
<td>-</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Charges for the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 30/09/2003</td>
<td>$ -</td>
<td>$ -</td>
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Net book value:

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<tbody>
<tr>
<td>-</td>
<td>$2,500,000</td>
<td>$2,400,000</td>
</tr>
</tbody>
</table>

The investment property represents long-term leasehold interests in land and building in Hong Kong.

The value of investment property was stated on a fair open market value basis.

The first revaluation was carried out as at 30 September 1993 by an independent professional valuer and the revaluation surplus of HK$8,697,185 transferred to revaluation reserve was brought forward to current year.

The second revaluation was carried out as at 30 September 1998 by a representation from the management of its beneficial owner, The Hong Kong Institute of Architects. The revaluation surplus of HK$2,616,553 was transferred to revaluation reserve.

The third revaluation was carried out as at 30 September 2001 by an independent professional valuer and the deficit on revaluation of HK$7,896,000 represents the difference between the fair open market value and net book value and has been debited to the revaluation reserves.

The latest revaluation was carried out as at 30 September 2003 by an independent professional valuer and the surplus on revaluation of HK$100,000 represents the difference between the fair open market value and net book value and has been credited to the revaluation reserves.

The company leases out investment property under operating lease at fixed monthly rental of HK$14,500 for a period of three years. The lease includes no contingent rentals.

The company's total future minimum lease payments under non-cancellable operating lease is receivable as follows:

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>$174,000</td>
<td>$174,000</td>
</tr>
<tr>
<td>In the second to fifth years inclusive</td>
<td>$105,850</td>
<td>$219,850</td>
</tr>
<tr>
<td></td>
<td>$320,000</td>
<td>$323,850</td>
</tr>
</tbody>
</table>

9. Share capital

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorized</td>
<td>10,000</td>
<td>10,000</td>
</tr>
</tbody>
</table>

Issued and fully paid:

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares of HK$1 each</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

$2

10. Related party transactions

As of 30 September 2003, the balance due to The Hong Kong Institute of Architects is unsecured, non-interest bearing, and with no fixed repayment date. It is the intention of The Hong Kong Institute of Architects to provide continual financial support and not to require repayment of the amount due by the Company until such time as it is financially able to do so.
### Detailed Income Statement

**For the Year Ended 30 September 2003**

(Expressed in Hong Kong dollars)

<table>
<thead>
<tr>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover</strong></td>
<td></td>
</tr>
<tr>
<td>Rental income $174,000</td>
<td>$184,658</td>
</tr>
<tr>
<td><strong>Other revenue</strong></td>
<td></td>
</tr>
<tr>
<td>Interest income 1,269</td>
<td>4,818</td>
</tr>
<tr>
<td><strong>Administrative expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Legal and professional fees $14,000</td>
<td>$18,157</td>
</tr>
<tr>
<td>Audit fee 6,000</td>
<td>5,400</td>
</tr>
<tr>
<td>Repair and maintenance 5,123</td>
<td>3,000</td>
</tr>
<tr>
<td>Business registration fee 2,600</td>
<td>250</td>
</tr>
<tr>
<td>Sports 1,965</td>
<td>1,476</td>
</tr>
<tr>
<td>Insurance 720</td>
<td>720</td>
</tr>
<tr>
<td>Bank charges 240</td>
<td>240</td>
</tr>
<tr>
<td><strong>Stamp duty</strong></td>
<td>438</td>
</tr>
<tr>
<td><strong>Profit before taxation</strong></td>
<td>$39,650</td>
</tr>
<tr>
<td></td>
<td>$29,681</td>
</tr>
<tr>
<td></td>
<td>$144,619</td>
</tr>
<tr>
<td></td>
<td>$159,795</td>
</tr>
</tbody>
</table>


Samson Wong & Associates Property Consultancy Ltd produced the Review & Research Report on the captioned subject. The Consultant was invited to speak to our Board of Local Affiliates Members on 24 February 2003.

18. **Board of Practices (P&P)**

- Overseas & Mainland Projects & Works Procurement Committee (chaired by Mr. Daniel Chi)
- Specification, Standards & Documentation Committee (chaired by Mr. Glenn Lau)
- Government & Government Agency Committee (chaired by Mr. Thomas Ling)
- Small Practices Committee (chaired by Mr. Vincent Ng)
- Consultant Procurement Committee (chaired by Mr. Kyran Sze)
- IT Committee (chaired by Mr. S S Yiu)

19. **HKIA Insurance**

Marsh has been appointed the recommended Professional Indemnity Insurance consultants for HKIA members.

20. **AASB Consultancy Agreement**

The Board was informed that ArchSD, under new directions of the Works Bureau, is proposing a new Consultancy Agreement to be put into use in April 2003. This agreement was drafted by legal personnel of WB. Two of the proposed sections, namely, Confidentiality and Intellectual Property Right might have serious implications on all Consultants and therefore legal advice was being sought from our legal advisor Peter Lo. His initial comment to these two clauses was quite negative.

Member proposed to study the implication of the agreement as soon as possible. A seminar is scheduled for 6 Mar 2003 at 6:00 p.m. at HKIA with the attendance of our legal Advisor, Mr. Peter Lo and our insurance consultant, Marsh. A quantity surveyor would be invited to be the moderator of the seminar.

21. **School Improvement Programme - Meeting with ArchSD**

Thomas Ling and Patrick Cheng had attended a meeting with ArchSD on SIP fee claims and noted that ArchSD had given recognition for fee adjustment and would like to know the amount of total claims at this stage.

22. ** Tendering & procurement procedures / requirements**

The Board was informed that 14 firms had recently been requested to attend a presentation on a KCRC project only at EOI Stage. It was high time to approach all those client bodies to regularize the requirements to save resources from consultants. This would be taken up by the Consultants Procurement Committee.

23. **Board of Educational Affairs (BEADA)**

- The Board of Educational Affairs, chaired by Mr. Dominic Lam from 2003, has taken on membership admission work, and has set up the following Committees and Working Group:
  - Professional Assessment Committee (chaired by Mr. Hector Cheung)
  - Membership Admission Committee (chaired by Ms. Julie Ma)
  - Continuing Professional Development Committee (chaired by Mr. Caroline Fong)
  - Education Development & Accreditation Committee (chaired by Mr. Bernard Hui)
  - Architectural Research Committee (chaired by Prof. Eric Lui)
  - Education & Careers Expo Working Group (chaired by Mr. James Loo)

24. **Education & Careers Expo 2003**

The Institute staged a double booth at the Education & Careers Expo to be held during 20 – 23 February 2003 at the Hong Kong Convention and Exhibition Centre. Apart from introducing the Institute and winning projects in HKIA Annual Awards 2003, the HKIA Booth focused on HKU and CUHK architectural programmes accredited by the HKIA. Post-secondary architecture programmes offered by the City University of Hong Kong and SPACE, HKU, was also highlighted.

As part of the Careers Seminar series held concurrently at the Expo, Mr. Wong Wai Sang, Vice President, spoke on "The Architectural Profession" to students, parents and interested individuals. The Institute aimed to reach out to students, parents and the general public on architectural education and the architectural profession.

25. **HKIA Examination 2002**

25.1 **Results of Written Papers**

<table>
<thead>
<tr>
<th>Paper 1a</th>
<th>Paper 1b Part (i)</th>
</tr>
</thead>
<tbody>
<tr>
<td>62.9%</td>
<td>52.4%</td>
</tr>
</tbody>
</table>

6. **Workshop on S reviewer Building, Repulse Bay by Southern District Office on 4 March 2003**

7. **ArchSD Consultancy Agreement seminar by Mr. Peter Lo and our insurance consultant, Marsh on 6 March 2003**
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Hong Kong dollars)

1. Organization and operations

The company is beneficially owned by The Hong Kong Institute of Architects, as institution registered under the Hong Kong Institute of Architects Incorporation Ordinance.

The company is engaged in investment holding.

2. Adoption of Statements of Standard Accounting Practice

In the current year, the company has adopted, for the first time, the revised Statement of Standard Accounting Practice 1 (“SSAP 1”) issued by the Hong Kong Society of Accountants.

In accordance with SSAP 1 (Revised), the statement of changes in equity has been presented in place of the statement of recognized gains and losses.

3. Principal accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with Statement of Standard Accounting Practice issued by the Hong Kong Society of Accountants and generally accepted accounting principles in Hong Kong.

(b) Associated company

An associated company is a company in which the company holds a substantial percentage of the issued voting capital as a long-term investment and exercises significant influence in its management.

The investment in associated company is stated in the company’s balance sheet at cost less any impairment lost deemed necessary by the directors.

(c) Related party

A party is considered to related if on party has the ability, directly or indirectly to control the other party or exercise significant influence over the other party in making financial and operating decisions. Party is also considered to be related if it is subject to common control or common significant influence.

(d) Depreciation

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives on a straight-line basis at the following annual rates:

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Depreciation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment property</td>
<td>NIL</td>
</tr>
<tr>
<td>Office equipment</td>
<td>20%</td>
</tr>
</tbody>
</table>

(e) Investment property

An investment property is an interest in land and building in respect of which construction work and development have been completed and which is intended to be held on a long-term basis for investment potential. The company has adopted the recommendations of Statement of Standard Accounting Practice No.13 issued by the Hong Kong Society of Accountants whereby investment properties are not depreciated.

(f) Revenue recognition

Revenue from leasing of property is recognised when due.

Interest income is recognised on an accrual basis.

4. Turnover

Turnover represents rental income earned.
BALANCE SHEET AT 30 SEPTEMBER 2003
(Expressed in Hong Kong dollars)

<table>
<thead>
<tr>
<th>Note</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$2,500,000</td>
<td>$2,400,000</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>8</td>
<td>Current assets</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>8</td>
<td>Deposits and prepayments</td>
</tr>
<tr>
<td>Interest in an associated company</td>
<td>7</td>
<td>Cash at bank</td>
</tr>
<tr>
<td>Total</td>
<td>$2,500,000</td>
<td>$2,400,000</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td>Current liabilities</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td></td>
<td>Creditors and accrued expenses</td>
</tr>
<tr>
<td>Deposits and prepayments</td>
<td></td>
<td>Interest in an associated company</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>Taxation</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td>Net assets</td>
</tr>
<tr>
<td>Advances from the beneficial owner</td>
<td></td>
<td>Total assets</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td>Net current assets</td>
</tr>
<tr>
<td>Total assets less current liabilities</td>
<td></td>
<td>Total current liabilities</td>
</tr>
</tbody>
</table>

CAPITAL AND RESERVES
Share capital | | Revaluation reserve | $3,518,018 |
| 9 | | Accumulated losses | ($1,528,777) |
| Total | $1,379,748 | $1,566,411 |

The financial statements were authorized for issue by the board of directors on

The note on pages 7 to 13 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2003
(Expressed in Hong Kong dollars)

<table>
<thead>
<tr>
<th>Share capital</th>
<th>Revaluation reserve</th>
<th>Accumulated losses</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 30 September 2001</td>
<td>$2</td>
<td>$3,418,018</td>
<td>(1,528,777)</td>
</tr>
<tr>
<td>Net profit for the year</td>
<td>$3,418,018</td>
<td>137,854</td>
<td>137,854</td>
</tr>
<tr>
<td>Balance at 30 September 2002</td>
<td>$2</td>
<td>$3,418,018</td>
<td>(1,551,609)</td>
</tr>
<tr>
<td>Net profit for the year</td>
<td>$3,418,018</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Sundry on realization</td>
<td>$2</td>
<td>($1,702,272)</td>
<td>$1,379,748</td>
</tr>
</tbody>
</table>

The note on pages 7 to 13 form part of these financial statements

18. Removal of Unauthorized Building Works
A seminar on safe removal of unauthorized building works was held on 27 March 2003. A list of HKIA consultants for removal of unauthorized building works was sent to BD and uploaded onto HKIA web-site.

19. Engagement of Architectural/Authorized Persons for Lotteries Fund Projects
Social Welfare Department has planned to raise the existing ceiling fee for the appointment of architects/APs for preparation of the LF application from HK$8,000 to HK$10,000. SWD has also sought advice from ArchSD who confirmed that only sketch layout and cost estimate are required for the purpose of lodging an LF application. The series of correspondence between the Institute and SWD was uploaded on the HKIA Web for members' reference.

20. Tendering & procurement procedures / requirements
- A seminar on KCRC selection criteria for architectural consultants and presentation of KCRC new study on Linear City was held on 25 April 2003 and attended by over 50 members.
- Urban Renewal Authority representative was invited to Consultants Procurement Committee meeting on 12 May 2003 to give a briefing on the URA procurement system.

21. CAD Standard for Works Projects (CSWP), Standard Interface (Beta Version)
There are 20 practices joining the free trial run of Standard Interface (SI, beta version) arranged by the Works Bureau. Co-ordinated feedbacks will be provided to ETWB by the IT Committee.

22. Lists compiled for specific purpose / letters issued
- List of Architects for Conservation projects was sent to ArchSD on 17 March 2003
- Letter to ETWB - Ethical Commitment by Consultants, Contractors and Suppliers. New clauses for incorporation into Government Contracts/Agreement was sent on 27 April 2003.

23. Survey Conducted
- Survey on the AACSIC Categorization, Shortlisting and Grading System – sent by fax on 19 May 2003 to all member practices.
- Result of HKIA Insurance Survey was arranged for onward submission to Conditions of Contract Sub-Committee of ETWB

24. Disciplinary Action against member firms
The Board strongly upheld that HKIA should impose disciplinary action against member firms who made design submission in excess of the required minimum by client/developer.

Board of Educational Affairs (BEA)

25. Mandatory Adviser System for Professional Assessment Candidates
The ARB and the HKIA prefered having a mandatory Adviser system and requested the Professional Assessment Committee to strictly implement the mandatory adviser system.

26. Professional Assessment 2003
To prepare for the Professional Assessment in 2003, the Professional Assessment is preparing for open of registration and logistical arrangements. Registration period will be between 2 July and 1 August.

27. Lecture & Seminar Series 2003
The 20-session Lecture & Seminar Series 2003 shall be held from mid-August to end-October, every Monday and Thursday, at 8.00 pm - 8.30 pm at HKIA Premises. The cost for the entire series is $3,000, while the cost per session is $200. Graduate Members are entitled to a 10% discount.

28. Case Study Seminar
To help candidates prepare for the Case Study paper, the Case Study Subject Panel will hold a Case Study Seminar on 26 June at 6.30 pm.

14-15. Joint Forum with HKIE on Healthy Living Environment at Joint Professional Centre, 4 May 2003
REPORT OF THE AUDITORS TO THE MEMBERS OF HKIA SERVICES LIMITED

(incorporated in Hong Kong with limited liability)

We have audited the financial statements on pages 4 to 13 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of directors and auditors

The Companies Ordinance requires the directors to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on these statements and to report our opinion to you, as a body, in accordance with section 141 of the 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.

Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examinations, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company’s circumstances, consistently applied and adequately disclosed.

We planned and performed our audit to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company’s affairs as at 30 September 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Ordinance.


INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2003

(Expressed in Hong Kong dollars)

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>$174,000</td>
<td>$184,655</td>
</tr>
<tr>
<td>Other revenue</td>
<td>1,269</td>
<td>4,818</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(20,650)</td>
<td>(20,681)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>$184,619</td>
<td>$159,975</td>
</tr>
<tr>
<td>Taxation</td>
<td>(21,282)</td>
<td>(21,941)</td>
</tr>
<tr>
<td>Profit after taxation</td>
<td>$123,337</td>
<td>$137,854</td>
</tr>
</tbody>
</table>

Notes: The notes on pages 7 to 13 form part of these financial statements.
REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 30 September 2003.

Principal activity

The company is beneficially owned by The Hong Kong Institute of Architects, an institution registered under the Hong Kong Institute of Architects Incorporation Ordinance.

The company is engaged in investment holding.

Results

The profit of the company for the year ended 30 September 2003 and the state of the company’s affairs at that date are set out on pages 4 to 13.

The directors do not recommend the payment of a dividend.

Property, plant and equipment

Movements in property, plant and equipment during the year are set out in note 8 to the financial statements.

Directors

The directors during the financial year were:-

WONG Wah Sang (resigned on 1 January 2003)
KWAN Kwok Lok, Joseph (resigned on 1 January 2003)
LAU San Shing, Patrick (resigned on 1 January 2003)
HEI Man Bock, Bernard (resigned on 1 January 2003)
WONG Po Long, John (appointed on 1 January 2003)
SHEN, Edward (appointed on 1 January 2003)
KWONG Sze Yee, Anna (appointed on 1 January 2003)

There being no provision in the Articles of Association to the contrary, all the existing directors remain office for the ensuing year.

No contract of significance, to which the company was a party and in which a director of the company had a material interest, submitted at the end of the year or at any time during the year.

At no time during the year was the company a party to any arrangement to enable the directors of the company to acquire benefits by means of acquisition of shares in or debentures of the company or any other body corporate.

Auditors

The financial statements have been audited by Howarth Hong Kong CPA Limited who retire and, being eligible, offer themselves for re-appraisal.

By Order of the Board

Director

Wong Wah Sang

Hong Kong, 28 Jan 2004

A Century of Hong Kong Architecture

The Lord Wilson Heritage Trust approved a grant of $115,000 to HKIA. So far, the committee has successfully interviewed 10 senior architects, including Mr Andrew Lau, Mr Donald Lau, Mr Edison Wong, Mr Edward Ho, Mr Jose Lai, Mr James Kamokita, Prof. David Lam, Prof. Eric Lye, Mr Gau da Rozza and Mr Chung Wah Nan. More interviews would be conducted on local and well-established architectural practices and non-architects.

Annual Ball 2003

This year, the Annual Ball would be staged at Lake View Hall of HKU on 6 December 2003, with the theme on “Heritage”.

Invitation would be sent to Dr Ho Chi Ping, JP, Secretary for Home Affairs of the Government of the HKSAR to be our Guest of Honour.

Annual Awards 2003

Nomination would be commenced around early October 2003. The Jury Panel were confirmed by Mr Winston Chan, Chairman of the Society for Protection of the Harbour Limited as Jury Chair, Mr Paul Andrews, a French Architect as Overseas Juror, Mr Jones Kamokita and Mr Stephen Paun, Past Presidents of HKIA and Mr Humphrey Wong as young architect representative.

Young Architects’ Award 2003

Sponsored by The Nihon Chugok - K. N. Godfrey Yelt Education Fund and co-organized with Asian Cultural Council, Hong Kong (ACC), the theme this year would be “EXPO - Hong Kong Pavilion”. The Competition was launched on 30 August 2003 with the registration deadline on 15 October 2003. The Jury, composed of Prof. Chang Ying-Ho (Head & Professor, Graduate Centre of Architecture, Peking University), Prof. Easy Baniasaid, Prof. Patrick S S Lau, Mr Tim Lin, Mr Michelle Vesper (ACC) and Dr Geoffrey Yeh (Hitel Chong International Holdings Ltd.)

Emerging Hong Kong Young Architects Publication

20 entries out of 34 submissions were selected.

The Jury Panel consisted of Prof. Patrick S S Lau, Mr Nelson Chen, Prof. Leslie Lau and Ms Agnes Ng. The Organising Committee was now confirming the appointment of Graphics Designer and the Editor.

Quality Building Award 2004

The Hon Michael Suen Ming-Yung, GBS, JP, Secretary for Housing, Planning and Lands had accepted to serve as the Hon Adviser for the Award while Mr Sezik Koe would be the Head of Jury. Deadline of nomination was set at 31 March 2004 with the final Jury process to be carried out on 5 June 2004. A conference and banquet were scheduled for 10 July 2004 and 16 July 2004 respectively. An IBA official website would be launched soon.

Welfare & Activities Committee

Completed events included the HKIA-ASS Friendly Football Match held on 25 July 2003 at HK Football Club; Pool Side BBQ Party on 25 July 2003 at Royal HK Yacht Club and Boat Trip to Ninepin Island on 19 August 2003. Upcoming event would be a Glass Workshop on 27 September 2003 at Glass Art Mr Wong Kook Chung’s workshop in Kwan Tong. Glass competition would be organized later and Mr Andrew Lee was being invited to be one of the jury members.

HKIA Journal Best Paper Award for year 2002

From the results of reviews/committee from 9 reviewers on the 7 papers selected by the Editorial Board. The winners were (1) Design paper category: Paper title - Urban Regeneration, by Mr. Alex Lui (HKIA member); (2) Research paper category: Paper title - Quantification of Solar Access: A Novel Approach for Hong Kong, by Dr. C. Switzler and Dr. J. Mantalvan from (non-HKIA members). The 9 reviewers were: Mr. Chung Wah Nan, Mr. Fumihiko Makii, Mr. Ng Yook Man, Mr. Wong Wah Sang, Prof. Eric Lye, Prof. J M Ko, Prof. K W Chan, Prof. Kenneth Yeung, Prof. Patrick Lau, Prof. Tse Sam Lee. Prize presentation would be held at the 3rd QOM on 17 September 2003.

HKIA Publications

Preparation for several HKIA Publications were in progress and they were “Annual Awards 2002 Monograph”, “In Search of Diversity in School Design” & “Membership List with Photo”. PAC Ltd. would be appointed to carry out the publication package next year, which include the Directory 2004, Journal and Annual Awards 2002 Monograph. To save cost, newsletter would be incorporated into the Journal.

Art 23 of the Basic Law Presentation on held on 7 July 2003

President presents the prize to Mr Alex Lui, one of the winners of the HKIA Journal Best Paper Award for year 2002.
11. Appointment of Web Master
A web designer has been appointed to design the HKIA website. A programmer was being appointed to build the website. After
that, a part-time web-master would be appointed for long term maintenance. Representatives from each Board had been invited to attend meetings on website design.

12. Premises Improvement
Design of the face-lifting work was being tendered. 3 quotations would be returned by 19 September 2003. Upgrading of the sound system was completed in August 2003.

13. Review on the Current HKIA Guidelines
Review on the current "HKIA Code of Professional Conduct" and "HKIA Guidelines for the Promotion of Professional Services" are on the Board’s agenda.

14. Appointment to Government / Quasi-Government Committees
Screening Committee for Promoting Green Construction
Anna Kwong was nominated to the captured Committee under the Environmental Protection Department of HKESAR Government.

Re-nomination
Anna Kwong Yuen King Yuk Bernard Lim
Victor Chan James Lee Fresh Nomination Alex Lai
Patrick Chung Arthur Looi Edwin Chan Vincent Ng
Wilbert Ching Tam Kam Yip Chan Chi Ming Kyran Sze
Stephen Ho John Wong Marco Cheung Tsang Man Hiu
He Ting Fang Wong Wai Sang Kenneth Kan Wong Kam Sing
Thomas Kwok Wong Yip Fai Rentbert Lui

15. Forum on Review of Consent Scheme
A Forum on Review of Consent Scheme was held on 29 July 2003 at the HKIA Premises. Bernard Hui, Chairman of BD Committee spoke at the Forum.

A site visit to Science Park and No 1 Peking Road was held on 2 August 2003. 25 members participated in the event. As Organizing Committee on Green Tour to Brazil in 2004 has been formed. More details regarding the tour will be released in due course.

17. UIA International Competition – Celebration of Cities
Paul Chu, Chairman of Competition Committee is preparing entries to UIA International Competition. A local design competition will be organized to select submissions to both professional and student categories for the captured in early 2004.

18. International Conference / Overseas Meeting
2003 Ministry of Construction & Hong Kong Conference - Construction Services & Management, 20-22 Oct 2003, Wuhan Mr Tony Tang and Mr Daniel Chi have written and submitted technical papers for the captured conference. The papers would be published in the conference proceedings. CAA Assembly & Conference, 27-30 August, Bloemfontein, South Africa Ms. Anna Kwong represented HKIA to attend the CAA Assembly and Conference in South Africa.

19. Excursion in France
51 members and families joined in the academic excursion to France, held from 10 September to 21 September 2003. Besides visiting architectural sites, the group also paid official visits to architectural and academic institutions in France.

20. ARCSAIA Awards
HKIA has nominated 7 Past HKIA Annual Awards Winning projects to compete for ARCSAIA Awards 2003:

<table>
<thead>
<tr>
<th>Category</th>
<th>Architectural Practice / Organisation</th>
<th>Project Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1 Single family Residential projects (Single Individual Unit)</td>
<td>LCL Architects Limited</td>
<td>50 Plantation Road</td>
</tr>
<tr>
<td>A2 Multiple Family Residential projects (Multi-storey Apartments / Flats)</td>
<td>Rocco Design Limited</td>
<td>Hollywood Terrace</td>
</tr>
<tr>
<td>B Building Services (Offices Buildings)</td>
<td>Rocco Design Limited</td>
<td>8 Queen’s Road Central</td>
</tr>
</tbody>
</table>

12. Finance lease creditors
Obligations under finance leases:

<table>
<thead>
<tr>
<th>Minimum lease payment</th>
<th>Present value of minimum lease payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>HK$</td>
<td>HK$</td>
</tr>
<tr>
<td>2003</td>
<td>2002</td>
</tr>
<tr>
<td>20,160</td>
<td>20,160</td>
</tr>
<tr>
<td>28,560</td>
<td>48,720</td>
</tr>
<tr>
<td>48,720</td>
<td>68,880</td>
</tr>
<tr>
<td>(11,600)</td>
<td>(16,400)</td>
</tr>
</tbody>
</table>

13. General reserve
2003 | 2002 |
| Balance of donation for Radio Television Hong Kong programme production | $ 456,897 | $ 456,897 |
| HKIA Funds for Public Conferences, Seminars & Exhibitions in 1996 | 200,000 | 200,000 |
| Donation for Public Conference, Seminar, Exhibition, Research and Competition | 150,000 | 150,000 |
| Balance of donation from Mr Dennis Lau Wing Kung in 1994 | 67,248 | 70,870 |
| Balance of donation from Mr Stephen Poon in 1995 | 25,808 | 25,808 |
| $ 899,953 | $ 903,757 |

14. Related party transactions
Architects Registration Board ("ARB") is an affiliated board with the Institute and thus considered as a related party.

The Institute has an amount due from ARB of HK$1,486,289 (2002: HK$1,255,800) at the year-end which is accrued, interest free and repayable within one year. The Institute also received management fee income of HK$1,415,321 (2002: HK$1,557,027) from ARB for the year.

15. Reporting currency
All amounts are expressed in Hong Kong dollars unless otherwise specified.
9. Other Investments

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlisted securities at fair value:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>$4,123,476</td>
<td>$</td>
</tr>
</tbody>
</table>

10. Accounts receivable

Accounts receivable represents income from publications for the year ended 30 September 2003.

11. Commitments under operating leases

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum lease payments paid under operating leases:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and buildings</td>
<td>$732,600</td>
<td>$803,856</td>
</tr>
<tr>
<td>Other equipment</td>
<td>96,990</td>
<td>151,027</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$829,590</strong></td>
<td><strong>$954,883</strong></td>
</tr>
</tbody>
</table>

11. Commitments under operating leases (cont’d)

At the balance sheet date, the Institute had outstanding minimum commitments under non-cancellable operating leases, which fall due as follows:

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and buildings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within one year</td>
<td>$987,888</td>
<td>$987,888</td>
</tr>
<tr>
<td>In the second to fifth years inclusive</td>
<td>658,592</td>
<td>1,649,480</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,646,480</strong></td>
<td><strong>$2,637,368</strong></td>
</tr>
<tr>
<td>Other equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within one year</td>
<td>$27,600</td>
<td>$87,119</td>
</tr>
<tr>
<td>In the second to fifth years inclusive</td>
<td>17,732</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$45,332</strong></td>
<td><strong>$87,119</strong></td>
</tr>
</tbody>
</table>

Operating lease payments represent rentals payable by the company for some of its office properties and servers in internet services. The leases are negotiated for three years for land and building and two years for other equipment and rentals are fixed for three years and two years respectively.


HKIA has organized a Joint Forum on CEPA with Hong Kong Construction Association, The Hong Kong Institute of Engineers, The Hong Kong Institute of Landscape Architects, The Hong Kong Institute of Planners and the Hong Kong Institute of Surveyors on 21 July 2003 at Joint Professional Centre.

The Forum speakers were Dr. Henry Tang, at the time the Secretary of Commerce, Industry and Technology; Mr. Y. C. Le, Permanent Secretary for the Environment, Transport & Works (Works) and Mr. Helias Ng of Works Bureau. Over 200 participants from the 6 institutes attended the event and a lot of useful comments and questions on CEPA were raised.

As a follow up to the Forum, several meetings were held with Works Bureau and the Institute has also made 2 submissions on comments regarding CEPA.

22. Exhibition

HKIA Exhibition "City of Life, Hong Kong" supported by Hong Kong Arts Development Council, will be held from 6 to 10 November 2003 at Park Court, Pacific Place.

23. Board of Educational Affairs (BEA)

23.1 Professional Assessment 2003

316 applications were received and were being vetted. 149 Case Study Synopses were received and checked. Lecture and Seminar Series began in mid-August and would continue until early-November.

24. Second Professional Interview – Examination 2002

Second Professional Interview for Examination 2002 would be held for 41 candidates on Thursday, 25 September 2003 at the Caine Road Baptist Church.

25. Recent CPD Events

(a) Seminar on “Partnering in Hong Kong – Perspectives of a Facilitator and a Lawyer” held on 5 August was a full-house event.

(b) Seminar on “Second Generation Partnering – Guaranteed Minimum Price Contracting” was held on 11 August and was another full-house event.

(c) Seminar and Site Visit to ICAC Headquarters were jointly organized by the HKIA and ICAC on 6 September.

26. Green Card Renewal

The Site Safety Training Working Group is working closely with the Labour Department in allowing HKIA Members (including Fellows, Members, Associate Members, Graduate Members and Student Members) who have satisfied the annual mandatory CPD requirement to be considered as having satisfied all site safety requirements for issuance of a Green Card.

27. Reciprocities with the Mainland

An S2A meeting with Mainland counterparts will be held in Beijing on 11 September 2003. This is part of the preparation works in reciprocities discussions with the Mainland.

A letter of intent has been signed on 15 September 2003. A Members Forum would soon be held.

28. Defaulters

A final reminder had been sent to some defaulters, but to no avail. Their names would be removed from the membership register accordingly.

29. PSDAS Funding

Professional Services Development Assistance Scheme (PSDAS) Funding - $144,000 has been allocated by the PSDAS for the CPD programme on “Promoting Knowledge Transfer in the Architectural and Building Industry in Mainland China”. The programme is led by Mr. Steven Law of HKU, Mr. Ronald Chow and Mr. Lee Yiu Tang. Mainland experts would be invited to seminars/workshops in Hong Kong, and the target date of event launch would have to be deferred until end of 2003 or early 2004.

30. Affiliates

Initial proposals on admission of Affiliates have been presented to the Working Group on Manpower Training and
Development of the Provisional Construction Industry Co-ordination Board of the HK SAR Government. Government’s support and recognition of HKIA Affiliates are being solicited, whilst recognition by private sector would also be proposed.

31. Seminars arranged for the coming months:
   a. Seminar on Architect’s Role in Obtaining a Licence for Selected Uses of a Building
      The seminar will be held on the evening of 24 Sept 2003 at HKIA. Mr TANG Hung-k (COLA of Home Affairs Department) will be the speaker. The Seminar is already full.
   b. Seminar on Hong Kong International Airport Refueling
      The Seminar will be held on the evening of 7 Oct at HKIA. Dr. David J. Pang, CEO of Airport Authority HK, will be the speaker.
   c. Seminar on licensing and regulations related to setting up practices in the Mainland
      Speaker from Beijing will be invited to brief members on licensing and regulations related to setting up practices in the Mainland China. The Seminar will be conducted in Patongbus and the date will be confirmed shortly.

32. ArchSD Consultancy Agreement
The Board issued a letter on 19 June expressing disappointment to the revised Draft on General Conditions of Employment of Architectural and Associated consultants. HKIA’s views and concerns on unfair allocation of risk and liability and the increase in insurance premium were not adequately addressed and answered in ArchSD’s reply dated 30 May 2003. The Board suggested that meetings and dialogues should be initiated amongst all stakeholders to work out a set of conditions that are fair to all parties. An informal lunch meeting was arranged on 12 August 2003 to meet Mr. CH Yan, Director of ArchSD.

33. Letter to Education and Manpower Bureau (EMB)
The letter was issued on 31 July 2003 to request apportioned payment for SP self delivery module projects. Reply from EMB and follow up letters from the Institute were uploaded onto the HKIA web for members’ information.

34. Letter to Vocational Training Council (VTC)
VTC was soliciting full concept designs without any form of remuneration. A letter was sent to VTC on 19 June clarifying the position of HKIA on soliciting speculative design. An email enclosing the same letter was circulated to HKIA Member Practices reminding that in submitting full concept designs without any form of remuneration, they may be in violation of the HKIA Code of Professional Conduct, and as a consequence subject themselves to disciplinary action by the Institute.

35. HKIA Average Remuneration and Minimum Hourly Rates
The Board confirmed to hold on the Minimum Hourly Rates published in the Agreement Between Client & Architect & Scale of Professional Charges for the time being. In addition, the Average Remuneration and Minimum Hourly Rates uploaded onto the web since last year were removed to avoid confusion.

36. Bills Committee on Copyright (Amendment) Bill 2001 and Copyright (Amendment) Bill 2003
A written submission was forwarded to Legco on 23 June reiterating views submitted on 18 Dec. 2001. Both submissions could be viewed at the following link: http://www.hkgo.gov.hk/hkgo/d0/03/eug/pl参/zf/tpapers/3e/607706b1-2106-43e.pdf

37. Graduate Employment Training Scheme
Member Firms were informed that the captioned scheme would be launched officially on Aug 1, 2003. Architectural firms who wish to take on fresh university graduates are required to return a registration form to universities or Labour Department for vetting and interviews arrangement. For each graduate engaged, a monthly training allowance of HK$2000 for a maximum of six months will be paid to the employer. Details of the scheme and registration form were uploaded on the HKIA website: http://www.hkia.org/upload/asp/5dfc-64b31115.html#content_id=3115

26-27. Excursion to France, 10-21 September 2003
28. Forum on Mutual Recognition of Professional Qualification with the Mainland on 23 September 2003
29. Site Visit to 129 Repulse Bay on 18 October 2003

Anna Kwoon
Hon Secretary
17 September 2003

NOTES TO THE FINANCIAL STATEMENTS
The first revaluation was carried out as at 30 September 1993 by an independent professional valuer and the revaluation surplus of HK$8,697,185 transferred to revaluation reserve was brought forward to current year.

The second revaluation was carried out as at 30 September 1998 as per the Council’s representation. The revaluation surplus of HK$2,616,633 was transferred to revaluation reserve.

The third revaluation was carried out as at 30 September 2001 by an independent professional valuer and the deficit on revaluation of HK$7,896,600 represents the difference between the fair open market value and net book value and has been debited to the revaluation reserves.

The latest revaluation was carried out as at 30 September 2003 by an independent professional valuer and the surplus on revaluation of HK$10,000 represents the difference between the fair open market value and net book value and has been credited to the revaluation reserves.

The Institute leases out investment property under operating lease at fixed monthly rental of HK$14,500 for a period of three years. The lease includes no contingent rentals.

The Institute’s total future minimum lease payments under non-cancellable operating lease is receivable as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Within one year</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$174,000</td>
<td>$174,000</td>
</tr>
<tr>
<td></td>
<td>105,850</td>
<td>279,850</td>
</tr>
<tr>
<td></td>
<td>$279,850</td>
<td>$453,850</td>
</tr>
</tbody>
</table>

8. Intangible assets

<table>
<thead>
<tr>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>At cost:</td>
</tr>
<tr>
<td>30 September 2002</td>
</tr>
<tr>
<td>30 September 2003</td>
</tr>
<tr>
<td>Aggregate amortization:</td>
</tr>
<tr>
<td>30 September 2002</td>
</tr>
<tr>
<td>30 September 2003</td>
</tr>
<tr>
<td>Change for the year</td>
</tr>
<tr>
<td>30 September 2003</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net book value:</td>
</tr>
<tr>
<td>30 September 2003</td>
</tr>
<tr>
<td>30 September 2002</td>
</tr>
</tbody>
</table>
NOTES TO THE FINANCIAL STATEMENTS

6. Congress expenses

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>HKIA Official Representative to Overseas Visitors' Services Promotion</td>
<td>$77,811</td>
<td>$ -</td>
</tr>
<tr>
<td>Study Mission on Construction (Design and Management) Practice in United Kingdom and Ireland for Construction Industry</td>
<td>$15,300</td>
<td>$ -</td>
</tr>
<tr>
<td>USA Professional Practice</td>
<td>$7,667</td>
<td>$ -</td>
</tr>
<tr>
<td>APEC Meeting in Malaysia</td>
<td>$6,934</td>
<td>$ -</td>
</tr>
<tr>
<td>Ministry of Construction 2002 Conference in Nanjing</td>
<td>$6,703</td>
<td>$ -</td>
</tr>
<tr>
<td>ETFB-MOC Meeting in Beijing</td>
<td>$6,165</td>
<td>$ -</td>
</tr>
<tr>
<td>Mainland and HK Conference on the Development and Cooperation of Construction in Kunming</td>
<td>$2,500</td>
<td>$1,305</td>
</tr>
<tr>
<td>Jiangsu Hong Kong Week - Exhibition in Nanjing</td>
<td>$2,084</td>
<td>$ -</td>
</tr>
<tr>
<td>USA Congresses</td>
<td>$ -</td>
<td>$144,718</td>
</tr>
<tr>
<td>APEC Meeting in Australia</td>
<td>$ -</td>
<td>$9,599</td>
</tr>
<tr>
<td>China Architectural International Conference 2002</td>
<td>$ -</td>
<td>$5,620</td>
</tr>
<tr>
<td>Architectural Society Academic Conference 2001</td>
<td>$ -</td>
<td>$3,774</td>
</tr>
<tr>
<td>Meeting with Architectural Society of China</td>
<td>$ -</td>
<td>$2,370</td>
</tr>
<tr>
<td>Academic Exchange Excursion to Nanjing</td>
<td>$ -</td>
<td>$2,170</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$135,164</strong></td>
<td><strong>$169,515</strong></td>
</tr>
</tbody>
</table>

7. Property, furniture and equipment

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment property</td>
<td>$2,400,000</td>
<td>$1,893,143</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>$1,893,143</td>
<td>$266,397</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>$266,397</td>
<td>$619,792</td>
</tr>
<tr>
<td>Office furniture</td>
<td>$619,792</td>
<td>$5,179,332</td>
</tr>
<tr>
<td>Total</td>
<td>$2,400,000</td>
<td>$7,194,796</td>
</tr>
</tbody>
</table>

Annual General Meeting

Hon Secretary Report, 17 December 2003

Board of Internal Affairs (BIA)

1. A Century of Hong Kong Architecture

This year, the committee had interviewed 12 senior architects, including Mr Andrew Lau, Mr Donald Liu, Mr Edwin Wong, Mr Edward Ho, Mr Jose Li, Mr James Kamathia, Prof. David Lung, the late Prof. Eric Lye, Mr Ooi Goi Ruey, Mr Chung Wai Sun, Prof Patrick Lau and Mr Leslie Ouyang. Official website www.hkia.net/100years was launched at the Annual Ball 2003 on 6 December 2003 by President-elect, Mr Edward Shen. Coming plans in 2004 would be the public talk series in July 2004 and a moving exhibition on Teams in October 2004.

2. Annual Ball 2003

The Annual Ball 2003 was successfully completed at Loka Yew Hall of HKU in December 2003, with the theme on "Heritage". There were about 290 guests in 24 tables. Overwhelming feedbacks were received for both the historical settings and wonderful programme. Dr Patrick Ho Chi Ping, JP, Secretary for Home Affairs of the Government of the Hong Kong SAR was our Guest of Honour.

3. Annual Awards 2003

Nomination commenced in early October 2003 with the deadline on 31 December 2003, 12:00am. Jury process would be started in the middle of January 2004.

4. Young Architects' Award 2003 (YAA2003)

Sponsored by The Hein Cheng - K. N. Gottfried Yeh Education Fund and co-organized with Asian Cultural Council, Hong Kong, the theme of the Award was "EXPO - Hong Kong Pavilion". 14 submissions were received by the deadline on 15 November 2003. The shortlisting sessions was held on 4 December 2003, with 6 candidates selected to attend the Interview on 6 December 2003. The Award Recipient of YAA2003 was Mr Brian CHAN Yik-sing.

5. Guided Architecture Tour

Bringing co-organized with the Hong Kong Tourism Board, this programme had been conducted for over 80 Saturdays, starting from June 2002. Positive feedbacks were received and the programme would be extending to 2004, with the launching of the new Mandarin Guided Tour in January 2004. Recruitment programme for new architect-guides was commenced in early December.

6. Quality Building Award 2004

Official website for Quality Building Award 2004 was launched in November 2003. The website address was www.QBA2004.com.

7. Welfare & Activities Committee

The Committee organized 2 Glass Workshops on 27 September and 8 November 2003, an HKIA-HKIE-HKLA-HKRS Friendly Football Match on 8 November 2003, a CFD programme-Heritage Walk to Shui Tau Towns, Shui Mei Town and Ping Shan on 16 November 2003 and a HKIA-HKDC Design Cheque on 13 December 2003. The last programme in 2003 would be the HKIA In-house Christmas Party on 17 December 2003, following the Annual General Meeting. All the programmes were well received by Members, in which the Heritage Walk had a participation of over 110 people and 15 tables of traditional "poon chow" were organized.

8. HKIA Publications

Preparations for several HKIA Publications were in progress, including the "Annual Awards 2002 Monograph", "A Search of Diversity in School Design", "2001-2002 Emerging Hong Kong Architects" and the "New Version of Building Contracts".

9. Premises Improvement

3 quotations were returned by 19 September 2003 for the premises face-lifting work. Analysis and revision on the tender and construction items were in progress. A Joint House Committee meeting between HKIA and ARB was held in mid-November 2003 for discussion.

10. Review on the Current HKIA Guidelines for Promotion of Professional Services

Review on the current "HKIA Code of Professional Conduct" and "HKIA Guidelines for the Promotion of Professional Services" was an BIA's and BIP's agenda. A Task Force was formed with representatives from both BIA and BIA. First Task Force meeting was held in mid-November 2003 and the draft paper was under preparation.
11. Exhibition

Hong Kong Trade Development Council SME CEPA Expo

The Institute joined the SME CEPA Expo held in Hong Kong Convention Centre from 2-3 December 2003. HKIA prepared a panel with information on municipal recognition matters and on market access.

HKIA 'City of Life' Exhibition supported by Hong Kong Arts Development Council (HKADC)

The exhibition was held from 6 to 10 November 2003 at Park Court, Pacific Place. The themes of the exhibition were 'Hong Kong Waterfront Architecture' and 'Urban Architecture and the Need of Transportation Growth'. Mr. Yue Chi Hung, Director of Architectural Services and Mr. Darwin Chen, Chairman of HKADC, were the Guests of Honour.

International Conference / Overseas Meeting

MOC Conference on Construction Services & Management, Wuhan, 20-22 October 2003

The event was co-organised by the Ministry of Construction, Works Bureau and 9 institutes of the Construction industry. 149 delegates from Hong Kong attended the conference. Mr. Tony Tang and Mr. John Wong represented HKIA and President was moderator of one of the discussion sessions. A Draft Agreement on the Mutual Recognition of the Qualification of Architects was also signed with Mainland authorities in Wuhan on 20 October 2003.

The Architectural Society of China (ASC) 50th Anniversary and Annual Convention, 22-24 October 2003

Mr. John Wong attended the captained and presented a gift to ASC on behalf of HKIA. Mr. Barry Will also attended as ARCSA Chairman.

World Association of Chinese Architects

Mr. John Wong attended the second Formation Committee meeting in Beijing held from 25 to 26 October 2003.

Architectural Society of Shanghai 50th Anniversary Celebration and Symposium, 29 October 2003

Mr. Edward Shen represented HKIA to the captained and delivered a paper titled 'The Sixth Sense'.

China Japan Korea Registered Architects Organisation Meeting, Kunming, 29-30 October 2002

Mr. Dominic Lam represented HKIA to join the captained meeting organised by the National Administration Board of Architectural Registration.

12. ARCSA Council & Forum 12

The annual ARCSA Council Meeting was held from 8-9 December in Dhaka, Bangladesh and was chaired by Mr. Barry Will, ARCSA Chairman, assisted by Mr. Tony Tang, Hon. Secretary and the Registrar.

Mr. Joseph Kwan represented HKIA to attend the ARCSA Council Meeting, while Prof. Patrick Lau represented BEA at the ARCSA Committee for Architectural Education. The ARCSA Forum was held from 10-11 December 2003. Other attendees included Mr. Ronald Poon, ARCSA Advisor, Prof. Emy Bananmag and 2 representatives from ArchSD.

13. Excursion to France 2003

A powerpoint presentation on the life and works of Le Corbusier, as seen during the excursion, was held on 11 December 2003 and over 150 members attended the event.

14. UUA Work Programme "Architecture and the Disabled"

The Work Programme organised a Workshop at Dhaka Sheraton Hotel, the venue of ARCSA Forum, immediately after the Forum in the morning of 12 December 2003. 5 speakers, including Mr. Joseph Kwan, WP Director, made presentations and had fruitful discussions. Mr. Barry Will, ARCSA Chairman, Mr. Mubarak Hussain, President of the Institute of Architects Bangladesh, and Mr. Matubur Islam, a local dignitary officiated at the opening. The Workshop was enthusiastically attended by over 150 participants.

UUA

<table>
<thead>
<tr>
<th>Note</th>
<th>Income</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Work Programme – Architects and the Disabled</td>
<td>$ 30,000</td>
<td>$ (37,845)</td>
</tr>
<tr>
<td>- Exhibition at Berlin Congress 2002</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Coalition of Professional Services</td>
<td>- (8,000)</td>
<td>(8,000)</td>
</tr>
<tr>
<td>- Green Building Challenge</td>
<td>- (9,682)</td>
<td>(9,682)</td>
</tr>
<tr>
<td>- HKIA/RIHBE/KRKS Joint Conference</td>
<td>- (10,000)</td>
<td>(10,000)</td>
</tr>
<tr>
<td>World Day of Architecture</td>
<td>- 2001</td>
<td>- 2002</td>
</tr>
<tr>
<td>- 2001</td>
<td>40,615</td>
<td>(50,871)</td>
</tr>
<tr>
<td>- 2002</td>
<td>(10,256)</td>
<td>(1,041)</td>
</tr>
<tr>
<td>CAA Conference</td>
<td>- (14,032)</td>
<td>(14,032)</td>
</tr>
<tr>
<td>SARS Forum</td>
<td>1,535</td>
<td>(14,572)</td>
</tr>
<tr>
<td>Dragon Boat and others</td>
<td>- (35,296)</td>
<td>(35,296)</td>
</tr>
<tr>
<td>Working Institute &amp; Quarterly General Meeting</td>
<td>- (52,760)</td>
<td>(52,760)</td>
</tr>
<tr>
<td>Future Outlook of Construction Industry</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Changing Trip</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Professional Green Building Council</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>UUA Committee – Prize International USA Competition</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

$ 1,924,385 $ (1,191,352) $ 12,233 $ (302,810)
NOTES TO THE FINANCIAL STATEMENTS

5. Other functions, etc.

Receipts and expenses relating to various functions held during the year were as follows:-

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Guangzhou Exhibition</td>
<td>$248,142</td>
<td>$ (157,109)</td>
<td>$91,033</td>
<td>$ -</td>
</tr>
<tr>
<td>Annual ball</td>
<td>506,850</td>
<td>(432,883)</td>
<td>75,967</td>
<td>71,241</td>
</tr>
<tr>
<td>Overseas Excursion</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 2001 Spain</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- 2002 Australia</td>
<td>470</td>
<td>(955)</td>
<td>(485)</td>
<td>(5,011)</td>
</tr>
<tr>
<td>- 2002 Shanghai</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- 2003 France</td>
<td>841,180</td>
<td>(823,648)</td>
<td>17,532</td>
<td>-</td>
</tr>
<tr>
<td>ARCAISIA function</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 2001</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(9,319)</td>
</tr>
<tr>
<td>- 2002</td>
<td>49,322</td>
<td>(37,941)</td>
<td>11,928</td>
<td>-</td>
</tr>
<tr>
<td>CPD (2002, CEPI)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Seminars and Events</td>
<td>600</td>
<td>(9,524)</td>
<td>8,924</td>
<td>(33,495)</td>
</tr>
<tr>
<td>- Patagonia Course</td>
<td>19,000</td>
<td>(8,820)</td>
<td>10,180</td>
<td>17,520</td>
</tr>
<tr>
<td>School Design Competition</td>
<td>100,000</td>
<td>(91,297)</td>
<td>8,703</td>
<td>107,652</td>
</tr>
<tr>
<td>Shanghai - Hong Kong Exchange Conference</td>
<td>5,100</td>
<td></td>
<td>5,300</td>
<td>(2,892)</td>
</tr>
<tr>
<td>Site Safety Training Seminars</td>
<td>2,000</td>
<td></td>
<td>2,000</td>
<td>3,150</td>
</tr>
<tr>
<td>Genning</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 2000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(3,360)</td>
</tr>
<tr>
<td>- 2001</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(19,045)</td>
</tr>
<tr>
<td>- 2002</td>
<td>1,900</td>
<td>(15,232)</td>
<td>(13,332)</td>
<td>(26,095)</td>
</tr>
<tr>
<td>- 2003</td>
<td>1,550</td>
<td>(988)</td>
<td>562</td>
<td>-</td>
</tr>
<tr>
<td>Western District Survey and Workshop</td>
<td>3,622</td>
<td>(3,622)</td>
<td>-</td>
<td>(2,207)</td>
</tr>
<tr>
<td>Beijing - Hong Kong Economic Excursion</td>
<td></td>
<td>(1,634)</td>
<td>(1,634)</td>
<td>(10,650)</td>
</tr>
<tr>
<td>CEPA Forum</td>
<td>4,397</td>
<td>(6,860)</td>
<td>(4,283)</td>
<td>-</td>
</tr>
<tr>
<td>General Activity</td>
<td>21,302</td>
<td>(27,313)</td>
<td>(6,011)</td>
<td>-</td>
</tr>
<tr>
<td>Guided Architectural Tours sponsored by Hong Kong Tourism Board</td>
<td>47,000</td>
<td>(53,139)</td>
<td>(6,139)</td>
<td>(2,030)</td>
</tr>
<tr>
<td>Young Architects Awards</td>
<td>-</td>
<td>(6,521)</td>
<td>(6,521)</td>
<td>(37,647)</td>
</tr>
</tbody>
</table>

Board of Local Affairs (BLA)

15. Appointment to Government / Quasi-Government Committees / other Organisation

The following members were nominated to Contractors Registration Committee (CRC) Panel and CRC under Building Ordinance on 20 October 2003:

Attar Ai Young
Eather Chan
Maureen Chen
Patrick Cheung
Daniel Chi

Nelson Chow
Ada Fung
Arnold Fung
Kenneth Kau
Ghidt Lui

Otto Lee
Nora Leung
George Lew
Gidt Lui

Peter Mak
Michael Tang
Robert Wee
Geoffrey Wong

Michael Chiang and Edward Leung were nominated to be members of Review Panel set up by the Secretary for the Environment, Transport and Works for the Land (Miscellaneous Provisions) (Amendment) Ordinance on 26 September 2003.

Bernard Hui was nominated to be the HKIA representative to The Hong Kong Mediation Council Construction Committee on 23 September 2003.

16. Press Conference

A Press Conference was held on 17 October 2003 at the HKIA Premises to give views on the Development of West Kowloon Cultural District. Mr John Wong, President; Bernard Lim, Chairman of Board of Local Affairs and Vincent Ng, Chairman of Planning & Lands Committee spoke. The same views were submitted to Panel of Planning, Lands & Works & Panel on Home Affairs of LegCo on 13 November 2003.

A Press Conference organized by the Urban Design Alliance was held on 12 October 2003 at the HKIA Premises to express views on the Harbour Reclamation. Mr Tim of Hong Kong Institute of Planners and Vincent Ng, Chairman of HKIA Planning & Lands Committee spoke at the Press Conference. The same views were submitted to Panel on Environmental Affairs & Panel on Planning, Lands and Works of LegCo on 13 November 2003.

17. Green Tour to Brazil & Peru in 2004

A tour to Brazil and Peru in 2004 is being organized. Members are invited to express interest in joining the tour.

Board of Practices (BP)

18. Recent seminars and exhibitions

Seminars series jointly hosted by HKIA and AIA HK Chapter (AIA)

Two seminars conducted by Lovells, an international law firm, on "Design Liability in the Construction Industry" were held on 28 October and 25 November 2003 respectively. The Seminar series would be resumed from February 2004. Details of the seminars would be announced via HKIA circular.

Other seminars:

- Seminar on Licensing Procedures, delivered by Mr Tang Hung Ki was held on 24 September.
- Seminar on Hong Kong International Airport Briefing, delivered by Dr David Fung, CEO of Hong Kong Airport Authority was held on 7th October.
- Seminar on "Understanding an Architect's Practice" delivered by HKIA member, Mr David Fung was held on Tuesday 4 November.

HKIA Shanghai Exhibition

The HKIA Shanghai Exhibition was jointly organized by HKIA and Architectural Society of Shanghai on 29 October in Shanghai. A cocktail reception was also held on the same day. The Exhibition was then moved to headquarters of the Xiaomi group building from 31 October to 6 November 2003.

19. ArchSD Consultancy Agreement

HKIA members' concern on the liability placed on the lead consultant for defaults or errors of the sub-consultants irrespective of whether such are within the reasonable control of the lead consultant was raised at an informal lunch meeting with Mr. CH Yuen, Director of ArchSD, held on 12 August 2003. Mr Yuen explained that this was a government policy that sub-consultants should be employed by the lead consultant that was difficult to change. It was suggested that HKIA should study whether clauses in the agreements could be amended to reduce the lead consultant's liability to a reasonable level. The Board would follow up the matter further.

20. HKIA List of Architectural Consultants for ArchSD Minor Works Projects

The HKIA was requested by ArchSD to provide a list of architectural practices that are currently not in the AACS...
21. Regular meetings with Director of ArchSD

The board had initiated a formal communication channel with the Government and proposed to have regular meetings with Mr C.H. Yu, Director of the ArchSD to promote the mutual understanding between the Institute and the Department. The first meeting was held on 6th November. Result of HKIA survey conducted recently was presented in the meeting. Both the Institute and the ArchSD exchanged views on Review of the AACSDB List entry requirements; Consultant performance Scoring System, Bidding System and Design and Build Projects.

22. Change of guidelines to HKIA Members on Participation in Invited Competition

Additional guidelines to HKIA members / firms on Architectural Competitions proposed by the Consultants Procurement Committee in regard to current invited competitions were circulated to general members for adoption in the AGM.

23. HKIA / ARB Professional Assessment 2003

The written papers of the Professional Assessment 2003 were being held during 12-19 December 2003. The number of candidates sitting for each paper range from 136 to 244. The results of written papers will be released on 1 March 2004.

24. Membership Admission

During the period under review, the Institute admitted 5 new members and 40 new Graduate Members. As at 15 December 2003, membership numbers stand at:
- Fellow Member 142
- Member 1831
- Overseas Member 33
- Associate Member 23
- Graduate Member 335
- Student Member 21

25. Recent CPD Events

a) 18 Sept – CPD Seminar on Provisional Construction Industry Co-ordination Board
b) 24 Sept – Seminar on “Architect’s Role in Obtaining a Licence for Selected Uses of a Building”
c) 25 Sept – Forum on “Mutual Recognition of Professional Qualification with the Mainland”
d) 11, 15, 18 October – Site Visit to 129 Repulse Bay
  e) 5 Nov – Seminar on “Alternative Dispute Resolution – a presentation of the Hong Kong Mediation Council”
f) 1 Dec – Seminar on Site Coverage
g) 9 Dec – Seminar on “Spilling the sales on Japan”
h) 20 Dec – Site Visit to the Mega Drum of Hong Kong - The Completed Basement excavation work of the Mega Tower, Union Square Package 7, Kowloon Station

26. HKIA Affiliates

A submission to the Provisional Construction Industry Co-ordination Board was made for government’s support in inclusion of “HKIA Affiliates” as one of the entry / promotion requirements for technical or supervisory personnel in the civil service, and the inclusion of “HKIA Affiliates” as TCP3 in the Site Supervision Plan of the Buildings Department. The appeal to the government continues.

(j) Leases

(i) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remains with the lessee are accounted for as operating leases. Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

(ii) Finance leases

Leases where substantially all the risks and rewards of ownership of assets are transferred to the lessee are accounted for as finance leases. The amount recorded as an asset and obligation under finance lease at the inception is the present value of minimum lease payments payable during the term of the lease. Rentals payable in respect of finance leases are amortised between finance charges and reduction of outstanding lease obligations based upon the interest rate implicit in the relevant lease.

(k) Taxation

The Institute has been granted exemption from Hong Kong Profits Tax by the Inland Revenue Department for its prior years, excess of income over expenditure. The Council believes that similar exemptions will continue to be granted accordingly no provisions for Profits Tax has been made.

The Institute’s subsidiary, HKIA Services Limited, has provided for Hong Kong profits tax at the rate of 17.5% on the estimated assessable profit for the year.

No provision has been made for the Institute’s other subsidiary, Star Creation Development Limited, as it did not earn income.

(l) Related party

A party is considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Party is also considered to be related if it is subject to common control or common significant influence.

4. Revenue recognition

(a) Members’ entrance and subscription fees

Members’ entrance and subscription fees are credited to income in the year of receipt. Annual subscription fees are taken up on an accrual basis.

(b) Lecture and examination fees

Lecture and examination fees are recognised when the lecture and the examination are held.

(c) Publications and advertisements

Revenue from sales of publications and advertisement is recognised when the publications are sold and the advertisements are published.

(d) Exhibitions and other functions

Revenue from exhibitions and other functions are recognised when the functions are held.
(i) Intangible asset

The intangible asset represents the expenditure incurred for and capitalised for development and production of a web site. The costs were capitalised and are being amortised from 1 September 2001, when the asset was available for use, over a period of twenty years.

With effect from 1 October 2002, following a reassessment of the estimated useful lives of the intangible asset, the amortisation period for the intangible asset was changed from twenty years to five years, resulting in an increase of $85,816 in provision for amortisation charge for the year.

(ii) Other investments

Other investments are stated at fair value. Unrealized gains and losses are included in net profit or loss for the year. Gains or losses on disposal of other investments, representing the difference between the net sales proceeds and the carrying amounts, are recognized in the profit and loss account as they arise.

(iii) Associated company

An associated company is a company in which the Group holds a substantial percentage of the issued voting capital as a long-term investment and exercises significant influence in its management.

The associated company, Professional Green Building Council Limited, is company incorporated in Hong Kong under the Companies Ordinance with limited liability by guarantee. Its principal activities are conducting collaborative research and public research projects on local and global developments of green building, organizing research seminars and training courses in green building design and technology and advising the government on the formulation, setting up and monitoring of a local green building labeling scheme.

(iv) Depreciation

Depreciation is calculated to write off the cost or valuation of property, furniture and equipment over their useful lives on the straight-line basis, at the following annual rates:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Annual Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment property</td>
<td>NIL</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>2%</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>25%</td>
</tr>
<tr>
<td>Office computer</td>
<td>25%</td>
</tr>
</tbody>
</table>

(v) Inventories

Inventories consist mainly of standard contract forms, Standard Form of Building Contract, Form of Tender which are stated at the lower of cost or net realizable value. Cost includes direct costs of purchases and incidental costs in bringing the inventory to their present location and condition. Net realizable value is based on anticipated selling prices less all further costs to be incurred prior to sale.

(vi) Investment property

Investment property represents leasehold land and buildings held in Hong Kong under a long term lease. The company has adopted the recommendations of Statement of Standard Accounting Practice No 13 issued by the Hong Kong Society of Accountants whereby investment properties are not depreciated.

(vii) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(ii) Pension obligations

The Group operates two approved defined contribution retirement benefits schemes for employees: a Mandatory Provident Fund (MPF) Exempted Occupational Retirement Scheme and a MPF Scheme under the Mandatory Provident Fund Schemes Ordinance.

The contributions payable to the Group’s defined contribution retirement benefits schemes are charged to the income statement as incurred.

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Board of Educational Affairs (BEĐA)

Lam Kwong Ki Dominic (Chairman) 林兆基 (主席)
Chan Hon Wan Edwin (Deputy Chairman) 陳漢雲
Essy Baniasasad
Cheng Chen Ching Ying Elizabeth 鄭陳靜英
Cheung Yuk Kwan Hector 張玉昆
Fong Suet Yuen Carolin 方素雲
Fung Yin Suen Ada 馮宣宜
Hui Man Bock Bernard 胡文博
Kwong Wing Man Dennis 鄅文堅
Lam Ping Hong Robert 楊榮鴻
Law Hoo Yan Francis 羅浩仁
Lung Ping Yee David 龙沛宜
Mo Chu Kwok Wah Julie 摩卓華
Shen Edward 沈愛德
Wong Shiu Kwan 黃曉健
Wong Wah Sing 黃實生
Wong Po Lung John, ex-officio 王寶龍
Kwong Sum Yee Anna, ex-officio 鄅心怡

---

Board of Internal Affairs (BIA)

Lok So Fun Rosa, Chairlady (Chairman) 洛素芬 (主席)
Chan Hon Wan Edwin (Deputy Chairlady) 陳漢雲
Chun Chui Yi Corrin 陳翠兒
Chan Hon Wan Edwin 陳漢雲
Cheung Kwok Fan Daniel 張國發
Choi Kam Lung Franki 蔡龍
Hau Hon Fai Patrick 侯偉華
Kwan Kwok Lok Joseph 關國樂
Ng Wing Shun Vincent 吳永順
Tang Kai Kwong Bernard 譚光泉
Wong Wah Sing 黃實生
Kwong Sum Yee Anna, ex-officio 鄅心怡
Wong Po Lung John, ex-officio 王寶龍

100-Year of Hong Kong Architecture Committee

Chairlady
Chan Chui Yi Corrin 陳翠兒

Media Resources & Publication Committee

Chairman
Chan Hon Wan Edwin 陳漢雲

Annual Awards Committee

Chairman
Hau Hon Fai Patrick 侯偉華

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Annual Report 2003

Professional Assessment Committee

Chairman
Cheung Yuk Kwan Hector 張玉昆

Membership Admission Committee

Chairman
Mo Chu Kwok Wah Julie 摩卓華

Continuing Professional Development Committee

Chairman
Fong Suet Yuen Carolin 方素雲

Education Development & Accreditation Committee

Chairman
Hui Man Bock Bernard 胡文博

Architectural Research Committee

Chairman
Fung Yin Suen Ada 馮宣宜

Education & Careers Expo Working Group

Chairman
Lee Hung Wing James 李恆儀

Quality Building Award 2004 Committee

Chairman
Kwan Kwok Lok Joseph 關國樂

Young Architects’ Award & Activities Committee

Chairman
Ng Wing Shun Vincent 吳永順

House Committee

Chairman
Tung Kai Kwong Bernard 譚光泉

Community Development Committee

Co-Chair
Cheung Kwong Fan Daniel 張國發
Co-Chair
Au Long Hin Aubrey 卜朗軒

Practice Regularization Committee

Chairman
Chan Hon Wan Edwin 陳漢雲

Annual Ball Committee

Chairman
Hau Hon Fai Patrick 侯偉華

Welfare & Activities Committee

Chairman
Choi Kam Lung Franki 蔡龍
### CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS FOR THE YEAR ENDED 30 SEPTEMBER 2003

<table>
<thead>
<tr>
<th>Note</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members’ entrance and subscription fees</td>
<td>$3,802,634</td>
<td>$3,473,342</td>
</tr>
<tr>
<td>Functions income</td>
<td>7,087,473</td>
<td>7,616,795</td>
</tr>
<tr>
<td>Functions expenses</td>
<td>(3,626,823)</td>
<td>(4,166,936)</td>
</tr>
<tr>
<td></td>
<td>$7,263,282</td>
<td>$6,532,201</td>
</tr>
<tr>
<td>Employment costs</td>
<td>(3,322,668)</td>
<td>(3,467,315)</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>(2,607,016)</td>
<td>(2,715,361)</td>
</tr>
<tr>
<td></td>
<td>(5,929,684)</td>
<td>(6,182,676)</td>
</tr>
<tr>
<td>Operating surplus before taxation</td>
<td>$1,333,598</td>
<td>$340,525</td>
</tr>
<tr>
<td>Taxation</td>
<td>(21,282)</td>
<td>(21,941)</td>
</tr>
<tr>
<td>Operating surplus after taxation</td>
<td>$1,312,316</td>
<td>$318,584</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.

### CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2003

<table>
<thead>
<tr>
<th>Note</th>
<th>Income</th>
<th>Expenses</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members’ entrance and subscription fees</td>
<td>$3,802,634</td>
<td>-</td>
<td>$3,802,634</td>
<td>$3,473,342</td>
</tr>
<tr>
<td>Net income from functions</td>
<td>-</td>
<td>1,415,321</td>
<td>-</td>
<td>1,415,321</td>
</tr>
<tr>
<td>Lecture and examination fees</td>
<td>1,415,321</td>
<td>-</td>
<td>1,415,321</td>
<td>1,537,027</td>
</tr>
<tr>
<td>Management fee income</td>
<td>176,000</td>
<td>176,000</td>
<td>188,658</td>
<td></td>
</tr>
<tr>
<td>Rental income</td>
<td>14</td>
<td>104,543</td>
<td>49,811</td>
<td>114,532</td>
</tr>
<tr>
<td>Sales of contact forms, log books and</td>
<td>-</td>
<td>70,346</td>
<td>70,346</td>
<td>70,346</td>
</tr>
<tr>
<td>Architectural Practice Directory</td>
<td>-</td>
<td>114,532</td>
<td>114,532</td>
<td>114,532</td>
</tr>
<tr>
<td>Annual Awards</td>
<td>342,000</td>
<td>268,307</td>
<td>73,693</td>
<td>92,316</td>
</tr>
<tr>
<td>Interest earned from certificates of deposit</td>
<td>54,974</td>
<td>54,974</td>
<td>54,974</td>
<td>54,974</td>
</tr>
<tr>
<td>HKIA credit card scheme commissions</td>
<td>9,761</td>
<td>25,761</td>
<td>66,193</td>
<td>66,193</td>
</tr>
<tr>
<td>Interest earned from fixed deposits/</td>
<td>50,970</td>
<td>50,970</td>
<td>139,412</td>
<td>139,412</td>
</tr>
<tr>
<td>savings</td>
<td>19,000</td>
<td>19,000</td>
<td>8,000</td>
<td></td>
</tr>
<tr>
<td>Unrealised gain on investments</td>
<td>17,326</td>
<td>17,326</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other functions</td>
<td>5</td>
<td>1,925,585</td>
<td>1,913,312</td>
<td>11,233</td>
</tr>
<tr>
<td></td>
<td>1,932,910</td>
<td>1,924,545</td>
<td>(302,810)</td>
<td></td>
</tr>
<tr>
<td>Souvenirs</td>
<td>150</td>
<td>150</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td>6,500</td>
<td>6,500</td>
<td>(10,000)</td>
<td></td>
</tr>
<tr>
<td>Architects Practice Directory</td>
<td>286,400</td>
<td>312,475</td>
<td>(26,075)</td>
<td>(31,843)</td>
</tr>
<tr>
<td>Legal expenses –- Disciplinary Board</td>
<td>45,598</td>
<td>45,598</td>
<td>(144,098)</td>
<td></td>
</tr>
<tr>
<td>Cost of production of CCD Room</td>
<td>-</td>
<td>53,367</td>
<td>53,367</td>
<td>(50,130)</td>
</tr>
<tr>
<td>Cost of Education and Career Expo</td>
<td>-</td>
<td>87,348</td>
<td>87,348</td>
<td>(107,221)</td>
</tr>
<tr>
<td>Congress expenses</td>
<td>6</td>
<td>125,164</td>
<td>125,164</td>
<td>(168,516)</td>
</tr>
<tr>
<td></td>
<td>7,087,473</td>
<td>7,362,825</td>
<td>3,660,648</td>
<td>3,049,939</td>
</tr>
<tr>
<td></td>
<td>10,880,019</td>
<td>10,880,019</td>
<td>5,523,287</td>
<td>5,523,287</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
REPORT OF THE COUNCIL

On behalf of the Council, I have pleasure in presenting the Council’s report and the audited financial statements of the Institute for the year ended 30 September 2003.

Objective and principal activities

The Institute is registered under the Hong Kong Institute of Architects Incorporation Ordinance for the general advancement of Civil Architecture and for promoting and facilitating the acquisition of the knowledge of the various Arts and Sciences connected therewith. Principal activities include the holding of meetings, lectures, examinations, exhibitions, competitions and similar activities.

Income and expenditure

The consolidated excess of income over expenditure before taxation for the year is HK$1,333,998 (2002: HK$340,525)

Property, plant and equipment

Movements in property, plant and equipment of the Institute and its subsidiary during the year are summarised in Note 7 to the accompanying financial statements.

Council and office bearers

Council and office bearers, who have served for the whole of the financial year, except where noted, were:


Honorary auditors

The Honorary auditors during the year are Jose Lei and Ng Yook Man.

Auditors

The financial statements have been audited by Horwati Hong Kong CPA Limited who retire and being eligible offer themselves for re-appointment.

By Order of the Council,

WONG Po Long, John
President

CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2003

<table>
<thead>
<tr>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employment costs</strong></td>
<td></td>
</tr>
<tr>
<td>Salaries and allowances</td>
<td>$3,164,532</td>
</tr>
<tr>
<td>Provision for unused annual leave</td>
<td>87,349</td>
</tr>
<tr>
<td>Provident fund contribution</td>
<td>70,407</td>
</tr>
<tr>
<td>Personnel costs</td>
<td>380</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,372,668</strong></td>
</tr>
</tbody>
</table>

**Other operating expenses**

- Rent and rates: $775,590, $944,606
- Building management fees: 255,888, 255,888
- Printing and stationery: 162,627, 166,051
- Subscriptions to professional bodies: 137,333, 132,084
- Printing and distribution of minutes, circular letters and annual booklets: 156,578, 175,775
- Web site programming: 138,142, 181,563
- Legal and professional fees: 133,966, 105,907
- Depreciation: 112,296, 163,903
- Insurance: 109,976, 41,658
- Provision for amortization: 99,605, 12,900
- Electricity and telephone: 72,878, 66,715
- Stamps, cable and transportation: 69,991, 63,470
- Discount on credit card interest: 68,085, 45,971
- Air conditioning charges: 64,010, 71,931
- Repairs and maintenance: 63,404, 15,144
- Cleaning: 36,562, 39,766
- Audit fee: 31,450, 28,750
- Computer upgrade and support: 23,643, 43,485
- Entertainment: 22,997, 20,943
- Sundry expenses: 21,043, 12,184
- Medical insurance: 15,454, 14,829
- Finance lease interest: 8,000, 8,000
- Business registration fee: 5,800, 2,750
- Bank charges: 4,608, 4,654
- Management review: - 75,000
- Stamp duty | $2,007,016 | $2,713,261 |
| **Total** | **$5,929,684** | **$6,182,676** |

The accompanying notes form an integral part of these financial statements.

Hong Kong
### Board of Practices Affairs (BP)

Lu Yuen Cheung Ronald (Chairman) 吕元祥 (主席)
Shen Edward (Deputy Chairman) 沈逸迪 (副主席)
Chen Nelson K 陳丙麒
Cheung Pak Chiu Patrick 張柏琹
Chi Wah Cheng Daniel 廖智誠
Grover Dear
Ho Joseph 何健abile
Hui Man Book Bernard 許文博
Kwok Wai Yan Thomas 劉偉仁
Kwong Wing Man Denise 鄭佩文
Law Sai Hung Sebastian 劉世雄
Lee Kar Yan Douglas 李嘉雅
Lau Kwong Lam Glenn 廖國琳
Ling Chi Kong Thomas 林子剛
Ng Wing Shun Vincent 吳永順
Sze Kyrnan 施家殷
Yim Shun See 許善思
Wong Po Lung John, ex-officio 黃寶龍
Kwong Sum Yee Anna, ex-officio 鄺心怡

### Overseas & Mainland Projects & Work Procurement Committee
Chairman 貴智超 Daniel 威怡誠

### Small Practices Committee
Chairman Ng Wing Shun Vincent 吳永順

### Consultant Procurement Committee
Chairman 施家殷 Sze Kyrnan

### IT Committee
Chairman 許善思 Yim Shun See

### Specification, Standards & Documentation Committee
Chairman 廖國琳 Lau Kwong Lam Glenn

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### CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2003

<table>
<thead>
<tr>
<th>Note</th>
<th>2003 Amount</th>
<th>2002 Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, furniture and equipment</td>
<td>$ 2,656,739</td>
<td>$ 2,575,173</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>$ 100,283</td>
<td>$ 259,888</td>
</tr>
<tr>
<td>Other investments</td>
<td>$ 4,121,476</td>
<td></td>
</tr>
<tr>
<td>Interests in an associated company</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Non-current assets</strong></td>
<td>$ 7,880,508</td>
<td>$ 5,875,059</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>$ 133,484</td>
<td>$ 118,971</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>$ 40,310</td>
<td>$ 68,930</td>
</tr>
<tr>
<td>Interest receivable and prepayments</td>
<td>$ 188,450</td>
<td>$ 264,184</td>
</tr>
<tr>
<td>Refundable deposits</td>
<td>$ 188,581</td>
<td>$ 188,581</td>
</tr>
<tr>
<td>Amount due from a related party</td>
<td>$ 1,486,289</td>
<td>$ 1,253,800</td>
</tr>
<tr>
<td>Cash at banks and on hand</td>
<td>$ 12,875,542</td>
<td>$ 14,490,666</td>
</tr>
<tr>
<td><strong>Total Current assets</strong></td>
<td>$ 14,912,656</td>
<td>$ 16,383,132</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued charges</td>
<td>$ 191,194</td>
<td>$ 185,982</td>
</tr>
<tr>
<td>Receipts in advance</td>
<td>$ 2,427,332</td>
<td>$ 1,123,233</td>
</tr>
<tr>
<td>Amount due to a related party</td>
<td>-</td>
<td>$ 52,050</td>
</tr>
<tr>
<td>Finance lease creditors</td>
<td>$ 15,360</td>
<td>$ 15,360</td>
</tr>
<tr>
<td>Taxation</td>
<td>$ 19,903</td>
<td>$ 19,557</td>
</tr>
<tr>
<td><strong>Total Current liabilities</strong></td>
<td>$ 2,653,789</td>
<td>$ 1,396,162</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td>$ 12,258,867</td>
<td>$ 14,986,970</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance lease creditors</td>
<td>$ 21,760</td>
<td>$ 37,120</td>
</tr>
<tr>
<td><strong>Total Non-current liabilities</strong></td>
<td>$ 21,760</td>
<td>$ 37,120</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>$ 19,177,605</td>
<td>$ 17,768,911</td>
</tr>
</tbody>
</table>

**Financed by:**
- Revaluation reserve | $ 3,518,018 | $ 3,418,018 |
- General reserve | $ 899,953 | $ 903,575 |
- Accumulated surplus | $ 14,791,634 | $ 13,447,318 |
- **Total** | $ 19,177,605 | $ 17,768,911 |

The financial statements were approved by the Council on

WONG Po Lung, John, President

TANG Man Bik, Stephen, Honorary Treasurer

The accompanying notes form an integral part of these financial statements.
Board of Local Affairs (BLA)

Lim Wan Fung Bernard Vincent (Chairman) 林雲峰 (主席)
Chan Chi Ming 蔣顯文
Chen Marvin 陳沐文
Chu Hoi Shan Paul 朱海山
Chu Hoi Sham Clement 朱學宏
Chan Hon Wan Edwin 陳漢雲
Hui Man Bock Bernard 許文博
Lam Wo Hei 林和熙
Leung Man Kit 梁文傑
Leung Kit Man Andy 梁傑文
Ling Chi Kong Thomas 林子剛
Lui Chun Wan Alex 雷震寰
Ng Wing Shun Vincent 吳永順
See Kyran 施家健
Tam Si Wai Kenneth 譚士偉
Tang Wai Man Tony 鄧偉文
Tsang Man Kit 蔡文健
Wong Kwok Hing Dominic 王國興
Wong Kam Sing 黃錦星
Wong Wah Sang 梁華生
Wong Po Lung John, ex-officio 梁寶龍
Wong Sum Yee Anna, ex-officio 鄉心怡

BD Committee
Chairman
Hui Man Bock Bernard 許文博

Competition Committee
Chairman
Hui Hoi Shan Paul 朱海山

Environment & Sustainable Development Committee
Chairman
Leung Man Kit 梁文傑

Heritage and Conservation Committee
Co-Chair
Tam Si Wai Kenneth 譚士偉
Co-Chair
Wong Kwok Hing Dominic 王國興

Planning & Lands Committee
Chairman
Ng Wing Shun Vincent 吳永順

Board of External Affairs (BEaA)

Tang Wai Man Tony (Chairman) 鄧偉文 (主席)
Christopher Gabriel (Deputy Chairman)
Chen Marvin 陳沐文
Josie Dee 李慧玲
Errol Hugh
Kwan Kwok Lok Joseph 劉國樂
Kwong Wing Man Denise 鄭穎文
Shen Edward 沈安道
Wong Ka Man Carmen 黃麗雯
Young Lai Fong Alice 楊麗芳
Wong Po Lung John, ex-officio 王寶龍
Kwong Sum Yee Anna, ex-officio 鄉心怡

Academic Exchange Committee
Chairman
Errol Hugh

Organising Committee for HKADC Exhibition
Chairman
Leung Hon Ming 譚漢明

Mainland Affairs Committee
Chairman
Chen Marvin 陳沐文

UIA Committee
Chairlady
Wong Ka Man Carmen 黃麗雯

CAA / ARCSAIA Committee
Chairlady
Yeung Lai Fong Alice 楊麗芳

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2003
(Expressed in Hong Kong dollars)

<table>
<thead>
<tr>
<th>Description</th>
<th>Revaluation reserve</th>
<th>General reserve</th>
<th>Accumulated surplus</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 30</td>
<td>$3,418,018</td>
<td>$764,705</td>
<td>$13,528,734</td>
<td>$17,311,457</td>
</tr>
<tr>
<td>September 2003 Donation</td>
<td>-</td>
<td>138,870</td>
<td>-</td>
<td>138,870</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>-</td>
<td>-</td>
<td>318,584</td>
<td>318,584</td>
</tr>
<tr>
<td>Balance at 30</td>
<td>$3,418,018</td>
<td>$803,575</td>
<td>13,847,318</td>
<td>$17,064,911</td>
</tr>
<tr>
<td>September 2003 Surplus on valuation</td>
<td>100,000</td>
<td>-</td>
<td>-</td>
<td>100,000</td>
</tr>
<tr>
<td>Other functions, net (Note 3)</td>
<td>-</td>
<td>-</td>
<td>(3,622)</td>
<td>(3,622)</td>
</tr>
<tr>
<td>Western District Survey and Workshop</td>
<td>-</td>
<td>-</td>
<td>1,312,316</td>
<td>1,312,316</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statement

NOTES TO THE FINANCIAL STATEMENTS

1. Activities and operations
   The Institute is registered under the Hong Kong Institute of Architects Incorporation Ordinance for the general advancement of Civil Architecture and for promoting and facilitating the acquisition of the knowledge of the various Arts and Sciences connected therewith. Principal activities include the holding of meetings, lectures, examinations, exhibitions, competitions and similar activities.

2. Adoption of Statements of Standard Accounting Practice
   In the current year, the company has adopted, for the first time, the following revised Statements of Standard Accounting Practice ("SSAP") issued by the Hong Kong Society of Accountants:
   SSAP 1 (Revised): Presentation of financial statements
   SSAP 34: Employee benefits
   In accordance with SSAP 1 (Revised), the statement of charges in equity has been presented in place of the statement of recognised gains and losses.
   SSAP 34 prescribes the accounting and disclosure for employee benefits. This new SSAP has had no material impact on the results of the current and prior accounting periods.

3. Principal accounting policies
   (a) Basis of accounting
      The financial statements have been prepared under the historical cost convention, and in accordance with Statement of Standard Accounting Practice issued by the Hong Kong Society of Accountants and generally accepted accounting principles in Hong Kong.
   (b) Principles of consolidation
      The consolidated financial statements for the year ended 30 September 2003 include the accounts of the Institute and its wholly-owned subsidiaries, HKIA Services Limited and Star Creation Development Limited. Both companies are incorporated in Hong Kong.
      HKIA Services Limited owns the land and building acquired during 1995 (Note 7) which is occupied by the Institute up to 31 July 1997 and thereafter was re-classified to investment property on 1 August 1997.
      Star Creation Development Limited was incorporated and commenced business on 20 March 2000. It is intended to be engaged in advertising in its web site.
      Intercompany balances and transactions have been eliminated on consolidation.