

THE COUNCIL OF ST. PAUL'S CO-EDUCATIONAL
COLLEGE CHARITABLE TRUST

Report and Financial Statements
For the year ended 31st August 2025

THE COUNCIL OF ST. PAUL'S CO-EDUCATIONAL COLLEGE CHARITABLE TRUST

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2025

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INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE COUNCIL OF ST. PAUL'S CO-EDUCATIONAL COLLEGE CHARITABLE TRUST

Opinion

We have audited the financial statements of The Council of St. Paul's Co-educational College Charitable Trust (the "Trust") set out on pages 4 to 28, which comprise the statement of financial position as at 31st August 2025, and the statement of profit or loss and other comprehensive income, statement of changes in fund balances and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Trust as at 31st August 2025, and of its financial performance and its cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Trustees for the Financial Statements

The Trustees are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE COUNCIL OF
ST. PAUL'S CO-EDUCATIONAL COLLEGE CHARITABLE TRUST - continued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

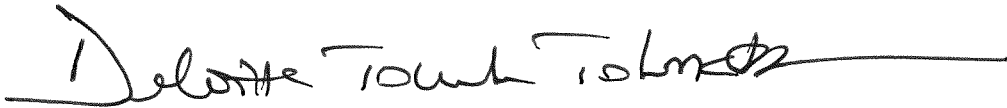
INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE COUNCIL OF
ST. PAUL'S CO-EDUCATIONAL COLLEGE CHARITABLE TRUST - continued

Auditor's Responsibilities for the Audit of the Financial Statements - continued

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is WONG, Kuen (practising certificate number: P05742).

A handwritten signature in black ink, appearing to read "Deloitte Touche Tohmatsu", with a long horizontal line extending to the right.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
17 APR 2026

THE COUNCIL OF ST. PAUL'S CO-EDUCATIONAL COLLEGE CHARITABLE TRUST

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST AUGUST 2025

	<u>NOTE</u>	<u>2025</u> <u>HK\$</u>	<u>2024</u> <u>HK\$</u>
Income			
Donations		6,491,533	5,684,474
Dividend income		6,684,350	6,637,055
Interest on bank deposits		1,626,053	1,599,456
Net exchange gains		14,088	-
		<u>14,816,024</u>	<u>13,920,985</u>
Expenditure			
Administrative expenses		30,291	42,622
Grants awarded	4	6,014,800	6,978,159
General fund raising expenses		359,579	252,451
Net exchange losses		-	89,575
		<u>6,404,670</u>	<u>7,362,807</u>
Surplus for the year		8,411,354	6,558,178
Other comprehensive income for the year			
<i>Item that may be reclassified to profit or loss</i>			
Fair value gain of financial assets at fair value through other comprehensive income ("FVTOCI")		50,687,820	34,833,108
Total comprehensive income for the year		<u>59,099,174</u>	<u>41,391,286</u>

THE COUNCIL OF ST. PAUL'S CO-EDUCATIONAL COLLEGE CHARITABLE TRUST

STATEMENT OF FINANCIAL POSITION
AS AT 31ST AUGUST 2025

	<u>NOTES</u>	<u>2025</u> <u>HK\$</u>	<u>2024</u> <u>HK\$</u>
Non-current asset			
Financial assets at FVTOCI	5	<u>651,588,458</u>	<u>600,900,638</u>
Current assets			
Short-term bank deposits	6	21,916,459	14,375,335
Bank balances and cash	6	27,727,772	27,071,139
Other receivables		773,485	559,888
		<u>50,417,716</u>	<u>42,006,362</u>
Current liability			
Accruals		<u>10,000</u>	<u>10,000</u>
Net current assets		<u>50,407,716</u>	<u>41,996,362</u>
Net assets		<u><u>701,996,174</u></u>	<u><u>642,897,000</u></u>

THE COUNCIL OF ST. PAUL'S CO-EDUCATIONAL COLLEGE CHARITABLE TRUST

	<u>NOTES</u>	<u>2025</u> HK\$	<u>2024</u> HK\$
Designated Fund Accounts			
The Lam Ngar Sheung Fund		500,000	500,000
The Li Wai Chun Fund		1,600,000	1,600,000
The Providence Foundation Limited Fund		1,400,000	1,400,000
The Lee Wong Lan Fong Endowment Fund		1,000,000	1,000,000
The S H Ho Foundation Fund		500,000	500,000
The Dr. Henry H L Chan Endowment Fund		500,000	500,000
The Abraham T. Lee Bursary Fund		1,000,000	1,000,000
The Primasia Endowment Fund		2,000,000	2,000,000
The Dr. and Mrs. Tai Hon-Sham Memorial Endowment Fund		1,000,000	1,000,000
The Foo Chi Hing and Chung Kit Ching Endowment Fund		1,000,000	1,000,000
The Extra-curricular Activities Fund		5,150,000	5,150,000
The Li Kwan Hung Community Services Fund		600,000	600,000
The Mr. Donald Siao Chee-Yuen Memorial Fund		580,700	580,700
The Dr. B M Kotewall Fund for Staff Development		3,500,000	3,500,000
The 何添夫人陳淑芳 Music Fund	7	1,450,000	1,400,000
The St. Paul's Co-educational College Alumni Association ("SPCCAA") General Endowment Fund		1,000,000	1,000,000
The Li Fook-wo Memorial Fund		1,000,000	1,000,000
The Mrs. Christina Yung Memorial General Endowment Fund		1,500,000	1,500,000
The Lee Hysan Foundation Endowment Fund		10,000,000	10,000,000
The Anonymous Extra-curricular Activities Fund		1,000,000	1,000,000
The L C Wong Fund		1,000,000	1,000,000
The Beloved Parents Care Fund		2,713,000	2,713,000
The Vine Fund		500,000	500,000
The Anonymous Endowment Fund		500,000	500,000
The Kenneth Lam Fund		500,000	500,000
The Douglas Fang Fund		500,000	500,000
The Music Endowment Fund	8	4,390,689	3,875,689
The Watt Shun Sun Tong Fund		800,000	800,000
The Sports Endowment Fund	9	524,500	523,300
The Leadership & Experiential Learning Endowment Fund	10	1,658,800	1,657,600
The CTC Edu Foundation Limited Fund		500,000	500,000
The Spencer Fung Fund		500,000	500,000
The Dr. Lancelot Lam Arts & Music Fund		736,730	736,730
The Ruth Kan-Tai Chan Financial Aid Fund		5,000,000	5,000,000
The Mr. Patrick Wong & Mrs. Sherry Wong Fund		500,000	500,000
The Martin Lau Fund		1,000,000	1,000,000
The Tang Family Fund		1,000,000	1,000,000
The Ronald Kwok Arts & Culture Fund		500,000	500,000
The Au Tsun Leadership Fund		500,000	500,000
The Gloria Pong Memorial Fund		1,000,000	1,000,000
The Chen Wai Wai Vivien Foundation e-Learning and e-Library Fund		50,000,000	50,000,000
The Jean E. Salata and Melanie Pong Mung Yee Education Fund		8,000,000	8,000,000
The Yeung Ming Hon Harrison & Yeung Ming Yee Irene Fund		500,000	500,000

THE COUNCIL OF ST. PAUL'S CO-EDUCATIONAL COLLEGE CHARITABLE TRUST

	<u>NOTES</u>	<u>2025</u> HK\$	<u>2024</u> HK\$
Designated Fund Accounts - continued			
The Chang Wong Yiu Ho Fund		575,835	575,835
The Mr. Robert Lai and Mrs. Maria Lai Fund		1,500,000	1,500,000
The Tai Wing Keung Fund		500,000	500,000
The Mrs. Betty Tung Chiu Hung Ping Fund		500,000	500,000
The Selina Chow Fund for English and Drama		500,000	500,000
The Goodwin and Yama Gaw Sports Fund		1,000,000	1,000,000
The Teresa Yang Ming Yen Fund		500,000	500,000
The Natasha Cheng Sin Yan Experiential Learning Fund		500,000	500,000
The Sharon Cheng Sin Man Arts and Culture Fund		500,000	500,000
The Cheng Chun Yin Sports Fund		500,000	500,000
The Cheng Sin Yee Music Fund		500,000	500,000
The Cheng Sin Ting Sports Fund		500,000	500,000
The Cheng Chun Yan Sports Fund		500,000	500,000
The Cheng Chun Lam Sports Fund		500,000	500,000
The Mr. Zeth Hung and Mrs. Alma Hung Fund		500,000	500,000
The Laws Family Foundation Fund		1,500,000	1,500,000
The Sun Family Fund		500,000	500,000
The Dr. Anissa Chan Scholarship Fund for Student of the Year Awards		750,000	750,000
The Gordon Lam Chi Wing Fund	11	-	-
The Roland Kun Chee Chow Staff Development Fund		500,000	500,000
The Gabriel Lee Sports & Leadership Fund		500,000	500,000
The Issac V Doone & Vincent G Law Fund		800,000	800,000
The Rachel & Christopher Kwok Education Fund		5,000,000	5,000,000
The Thomson Choi Yik Hin Fund		500,000	500,000
The Leung Chan Lai Ching Memorial Scholarship Fund for Needy Students		1,000,000	1,000,000
The Mrs Chan Lau Yuk Lin History, Arts & Culture Fund	12	500,000	400,000
The S L Wang Memorial Fund	13	900,000	800,000
The Liu Chun Ping Memorial Fund		127,600	127,600
The Mr. Dominic Kwok and Dr. Natasha Leong Fund	14	500,687	425,687
The Angela Luk's Education Fund		600,000	600,000
		<hr/>	<hr/>
The General Fund		141,858,541	141,016,141
Investments revaluation reserve		309,141,856	301,572,902
		<hr/>	<hr/>
Total funds		701,996,174	642,897,000
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The financial statements on pages 4 to 28 were approved by the Trustees on **17 APR 2026**

THE COUNCIL OF ST. PAUL'S CO-EDUCATIONAL COLLEGE CHARITABLE TRUST

STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED 31ST AUGUST 2025

	The General Fund HK\$	Designated Fund Accounts HK\$	Investments Revaluation Reserve HK\$	Total HK\$
Balance as at 1st September 2023	295,687,923	140,342,942	165,474,849	601,505,714
Transferred from statement of profit or loss and comprehensive income				
The 何添夫人陳淑芳 Music Fund	-	50,000	-	50,000
The Music Endowment Fund	-	450,000	-	450,000
The Sports Endowment Fund	-	1,200	-	1,200
The Leadership & Experiential Learning Endowment Fund	-	1,200	-	1,200
The Gordon Lam Chi Wing Fund	-	(200,000)	-	(200,000)
The Mrs Chan Lau Yuk Lin History, Arts & Culture Fund	-	100,000	-	100,000
The S L Wang Memorial Fund	-	100,000	-	100,000
The Mr. Dominic Kwok and Dr. Natasha Leong Fund	-	170,799	-	170,799
The General Fund	5,884,979	-	-	5,884,979
Surplus for the year transfer from statement of comprehensive income	5,884,979	673,199	-	6,558,178
Other comprehensive income: - change in fair value of financial assets at FVTOCI	-	-	34,833,108	34,833,108
Total comprehensive income	5,884,979	673,199	34,833,108	41,391,286
Balance as at 31st August 2024	301,572,902	141,016,141	200,307,957	642,897,000

THE COUNCIL OF ST. PAUL'S CO-EDUCATIONAL COLLEGE CHARITABLE TRUST

	The General <u>Fund</u> HK\$	Designated Fund <u>Accounts</u> HK\$	Investments Revaluation <u>Reserve</u> HK\$	<u>Total</u> HK\$
Balance as at 1st September 2024	301,572,902	141,016,141	200,307,957	642,897,000
Transferred from statement of profit or loss and comprehensive income				
The 何添夫人陳淑芳 Music Fund	-	50,000	-	50,000
The Music Endowment Fund	-	515,000	-	515,000
The Sports Endowment Fund	-	1,200	-	1,200
The Leadership & Experiential Learning Endowment Fund	-	1,200	-	1,200
The Mrs Chan Lau Yuk Lin History, Arts & Culture Fund	-	100,000	-	100,000
The S L Wang Memorial Fund	-	100,000	-	100,000
The Mr. Dominic Kwok and Dr. Natasha Leong Fund	-	75,000	-	75,000
The General Fund	7,568,954	-	-	7,568,954
Surplus for the year transfer from statement of comprehensive income	7,568,954	842,400	-	8,411,354
Other comprehensive income:				
- change in fair value of financial assets at FVTOCI	-	-	50,687,820	50,687,820
Total comprehensive income	7,568,954	842,400	50,687,820	59,099,174
Balance as at 31st August 2025	309,141,856	141,858,541	250,995,777	701,996,174

THE COUNCIL OF ST. PAUL'S CO-EDUCATIONAL COLLEGE CHARITABLE TRUST

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST AUGUST 2025

	<u>2025</u> HK\$	<u>2024</u> HK\$
OPERATING ACTIVITIES		
Surplus for the year	8,411,354	6,558,178
Adjustments for:		
Dividend income	(6,684,350)	(6,637,055)
Interest income	(1,626,053)	(1,599,456)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	<u>100,951</u>	<u>(1,678,333)</u>
INVESTING ACTIVITIES		
Dividends received	6,684,350	6,637,055
Interest received	1,412,456	1,140,328
Placement of short-term bank deposit with original maturity over 3 months	(7,541,124)	(14,375,335)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	<u>555,682</u>	<u>(6,597,952)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	656,633	(8,276,285)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>27,071,139</u>	<u>35,347,424</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	<u><u>27,727,772</u></u>	<u><u>27,071,139</u></u>

THE COUNCIL OF ST. PAUL'S CO-EDUCATIONAL COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2025

1. GENERAL INFORMATION

The Council of St. Paul's Co-educational College Charitable Trust (the "Trust") was established under a trust deed dated 9th January 1999. The address of its registered office is 33 Macdonnell Road, Hong Kong. The objectives of the Trust are:

- (a) To support The Council of St. Paul's Co-educational College (the "Council") in its objectives in advancing education and promoting Christian faith; and
- (b) To support the Council by providing support to St. Paul's Co-educational College and St. Paul's Co-educational College Primary School (together the "Schools") in their respective operations and activities in advancing education and promoting Christian faith.

The Trustees who served during the year were as follows:

Dr. Mak Hoi Hung, Michael
Dr. Lee Chien
Ms. Yang Ming Yen, Teresa
Mr. Auyang Pak Hong, Bernard
Mr. Yiu Kin Wah, Stephen
Dr. Cheng Mo Chi, Moses
Mr. Poon Siu Chi
Ms. Chow Yan Wai, Michelle
Mr. Kenneth SK Lam

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Trust has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual periods beginning on 1st September 2024 for the preparation of the financial statement:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Trust's financial positions and performance for the current and prior years and/or on the disclosures set out in these financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS
- continued

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Trust has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ³ and its Associate or Joint Venture ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the Trustees anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the financial statements in the foreseeable future.

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS
- continued

New and amendments to HKFRS Accounting Standards in issue but not yet effective
- continued

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments - continued

The disclosure requirements in HKFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and costs.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Trust.

HKFRS 18 "Presentation and Disclosure in Financial Statements"

HKFRS 18 *Presentation and Disclosure in Financial Statements* ("HKFRS 18"), which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1 ("HKAS 1"), introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Change in Accounting Estimates and Errors* and HKFRS 7 *Financial Instruments: Disclosures*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and other comprehensive income and disclosures in the future financial statements. The Trust is in the process of assessing the detailed impact of HKFRS 18 on the Trust's financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with the HKFRS Accounting Standards as issued by the HKICPA. The financial statements have been prepared on the historical cost basis, except for certain financial assets which are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Trust takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as or value in use in HKAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The material accounting policies are set out below.

Financial instruments

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instruments. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Financial instruments - continued

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In addition, the Trust may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at fair value through profit or loss ("FVTPL") if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Financial instruments - continued

Financial assets - continued

Classification and subsequent measurement of financial assets - continued

(ii) Financial assets classified as at FVTOCI

Subsequent changes in the carrying amounts for financial assets classified as at FVTOCI as a result of interest income calculated using the effective interest method, and foreign exchange gains and losses are recognised in profit or loss. All other changes in the carrying amount of these financial assets are recognised in OCI and accumulated under the heading of investment revaluation reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to OCI without reducing the carrying amounts of these financial assets. When these financial assets are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Impairment of financial assets subject to impairment assessment under HKFRS 9 "Financial Instruments" ("HKFRS 9")

The Trust performs impairment assessment under expected credit loss ("ECL") model on financial assets (including other receivables, short-term bank deposits and bank balances) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Trust's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

For all instruments, the Trust measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Trust recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Trust compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Trust considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets subject to impairment assessment under HKFRS 9 "Financial Instruments" ("HKFRS 9") - continued

(i) Significant increase in credit risk - continued

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Trust presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Trust has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Trust assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Trust considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Trust regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets subject to impairment assessment under HKFRS 9 "Financial Instruments" ("HKFRS 9") - continued

(ii) Definition of default

For internal credit risk management, the Trust considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Trust, in full (without taking into account any collaterals held by the Trust).

Irrespective of the above, the Trust considers that default has occurred when a financial asset is more than 90 days past due unless the Trust has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit loss.

(iv) Write-off policy

The Trust writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Trust's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets subject to impairment assessment under HKFRS 9 "Financial Instruments" ("HKFRS 9") - continued

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Trust in accordance with the contract and the cash flows that the Trust expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Trust recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount.

For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the investments revaluation reserve without reducing the carrying amount of these debt instruments. Such amount represents the changes in the investments revaluation reserve in relation to accumulated loss allowance.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "Net exchange losses" line item as part of the net foreign exchange gains/(losses);
- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the "Net exchange losses" line item as part of the net foreign exchange gains/(losses). As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in the fair value through other comprehensive income/ revaluation reserve;

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Financial instruments - continued

Financial assets - continued

Derecognition of financial assets

The Trust derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Trust neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Trust recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Trust retains substantially all the risks and rewards of ownership of a transferred financial asset, the Trust continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of financial assets classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. They are included in current assets except for maturities greater than 12 months after the end of reporting period. A provision for impairment of other receivables is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income.

Bank balances and cash

Bank balances and cash include cash in hand, bank deposits and other short-term highly liquid investments with original maturities of three months or less.

Donations and gifts

All donations received are credited to the statement of profit or loss and other comprehensive income as income in the period when the donations are received. The following donations received, after deduction of relevant grants made, during the year are transferred from the statement of profit or loss and other comprehensive income to the relevant Designated Fund Accounts:

- donations designated for specific purposes;
- donations in support of certain specified activities; and
- donations of a substantial amount without any naming rights being afforded to the donor.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Grants

Grants are recognised in the statement of profit or loss and other comprehensive income in the year when the cash is paid or constructive obligations to pay are established.

The following transfers are made from the Designated Fund Accounts to the statement of profit or loss and other comprehensive income representing grants made less relevant donations received during the year:

- grants for specific purposes made out of donations designated for such purposes; and
- grants for specific activities out of donations in support of such specified activities.

Recognition of income

Donations and gifts in cash and cash equivalents are recognised when received.

Dividend income is recognised when the right to receive payment has been established.

Interest income is recognised on a time proportion basis, using the effective interest method.

Expenditure

Expenditure is recognised as and when the relevant goods and services are received or accepted.

Translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Trust operates (the "functional currency"). The financial statements are presented in Hong Kong dollars ("HKD"), which is the Trust's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

THE COUNCIL OF ST. PAUL'S CO-EDUCATIONAL COLLEGE CHARITABLE TRUST

4. GRANTS AWARDED

	<u>2025</u> HK\$	<u>2024</u> HK\$
Extra-curricular activities	3,776,489	4,682,584
e-Learning and e-Library	1,040,500	1,040,500
Social worker and educational psychologist service	796,400	768,700
Staff development programme	386,611	473,375
Scholarship, bursary and miscellaneous funds	14,800	13,000
	<u>6,014,800</u>	<u>6,978,159</u>

5. FINANCIAL ASSETS AT FVTOCI

	<u>2025</u> HK\$	<u>2024</u> HK\$
At beginning of the year	600,900,638	566,067,530
Change in fair value	50,687,820	34,833,108
At end of the year	<u>651,588,458</u>	<u>600,900,638</u>
Financial assets at FVTOCI		
Unlisted fund		
- Overseas unlisted funds, denominated in USD	<u>651,588,458</u>	<u>600,900,638</u>

6. SHORT-TERM BANK DEPOSITS AND BANK BALANCES AND CASH

	<u>2025</u> HK\$	<u>2024</u> HK\$
Short-term bank deposits with maturity of more than 3 months	<u>21,916,459</u>	<u>14,375,335</u>
Bank balances and cash	12,368,156	12,110,582
Short-term bank deposit with maturity of less than 3 months	<u>15,359,616</u>	<u>14,960,556</u>
Bank balances and cash	<u>27,727,772</u>	<u>27,071,139</u>
	<u>49,644,231</u>	<u>41,446,474</u>

The carrying values of short-term bank deposits and bank balances and cash denominated in the following currencies:

HKD	22,385,287	21,764,086
USD	27,258,944	19,682,388
	<u>49,644,231</u>	<u>41,446,474</u>

THE COUNCIL OF ST. PAUL'S CO-EDUCATIONAL COLLEGE CHARITABLE TRUST

6. SHORT-TERM BANK DEPOSITS AND BANK BALANCES AND CASH - continued

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term time deposits with maturity of less than 3 months earned interest at the market rates of 0.20% to 4.05% (2024: 2.08% to 5.05%) per annum. Short-term time deposits with maturity of more than 3 months earned interest at the market rates of 3.64% to 4.05% (2024: 4.32% to 5.10%) per annum.

7. THE 何添夫人陳淑芳 MUSIC FUND

	<u>2025</u> HK\$	<u>2024</u> HK\$
Balance as at beginning of the year	1,400,000	1,350,000
Donation received during the year	50,000	50,000
Balance as at end of the year	<u>1,450,000</u>	<u>1,400,000</u>

8. THE MUSIC ENDOWMENT FUND

	<u>2025</u> HK\$	<u>2024</u> HK\$
Balance as at beginning of the year	3,875,689	3,425,689
Donation received during the year	515,000	450,000
Balance as at end of the year	<u>4,390,689</u>	<u>3,875,689</u>

9. THE SPORTS ENDOWMENT FUND

	<u>2025</u> HK\$	<u>2024</u> HK\$
Balance as at beginning of the year	523,300	522,100
Donation received during the year	1,200	1,200
Balance as at end of the year	<u>524,500</u>	<u>523,300</u>

10. THE LEADERSHIP & EXPERIENTIAL LEARNING ENDOWMENT FUND

	<u>2025</u> HK\$	<u>2024</u> HK\$
Balance as at beginning of the year	1,657,600	1,656,400
Donation received during the year	1,200	1,200
Balance as at end of the year	<u>1,658,800</u>	<u>1,657,600</u>

THE COUNCIL OF ST. PAUL'S CO-EDUCATIONAL COLLEGE CHARITABLE TRUST

11.	THE GORDON LAM CHI WING FUND		
		<u>2025</u>	<u>2024</u>
		HK\$	HK\$
	Balance as at beginning of the year	-	200,000
	Transferred to general fund during the year	-	(200,000)
		<u> </u>	<u> </u>
	Balance as at end of the year	<u> </u>	<u> </u>
12.	THE MRS CHAN LAU YUK LIN HISTORY, ARTS & CULTURE FUND		
		<u>2025</u>	<u>2024</u>
		HK\$	HK\$
	Balance as at beginning of the year	400,000	300,000
	Donation received during the year	100,000	100,000
		<u> </u>	<u> </u>
	Balance as at end of the year	<u>500,000</u>	<u>400,000</u>
13.	THE S L WANG MEMORIAL FUND		
		<u>2025</u>	<u>2024</u>
		HK\$	HK\$
	Balance as at beginning of the year	800,000	700,000
	Donation received during the year	100,000	100,000
		<u> </u>	<u> </u>
	Balance as at end of the year	<u>900,000</u>	<u>800,000</u>
14.	THE MR. DOMINIC KWOK AND DR. NATASHA LEONG FUND		
		<u>2025</u>	<u>2024</u>
		HK\$	HK\$
	Balance as at beginning of the year	425,687	254,888
	Donation received during the year	75,000	170,799
		<u> </u>	<u> </u>
	Balance as at end of the year	<u>500,687</u>	<u>425,687</u>
15.	TAXATION		

The Trust is exempted from Hong Kong tax under Section 88 of the Inland Revenue Ordinance.

THE COUNCIL OF ST. PAUL'S CO-EDUCATIONAL COLLEGE CHARITABLE TRUST

16. DONATIONS COMMITTED

Donations received and outstanding pledges as at 31st August 2025 are as follows:

	<u>Donations committed</u> HK\$	<u>Donations received</u> HK\$	<u>Outstanding pledges</u> HK\$
Balance as at 1st September 2023	<u>728,696,755</u>	<u>723,201,643</u>	<u>5,495,112</u>
Donations received in 2023/24 in respect of signed pledges in prior year	-	2,089,499	(2,089,499)
	<u>728,696,755</u>	<u>725,291,142</u>	<u>3,405,613</u>
Additions during 2023/24	3,938,674	3,594,974	343,700
Balance as at 31st August 2024	<u><u>732,635,429</u></u>	<u><u>728,886,116</u></u>	<u><u>3,749,313</u></u>
Donations received in 2024/25 in respect of signed pledges in prior year	-	629,313	(629,313)
	<u>732,635,429</u>	<u>729,515,429</u>	<u>3,120,000</u>
Additions during 2024/25	5,862,220	5,862,220	-
Balance as at 31st August 2025	<u><u>738,497,649</u></u>	<u><u>735,377,649</u></u>	<u><u>3,120,000</u></u>

17. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	<u>2025</u> HK\$	<u>2024</u> HK\$
Financial assets		
Financial assets at FVTOCI	651,588,458	600,900,638
Financial assets at amortised cost	50,417,716	42,006,362
	<u><u>651,588,458</u></u>	<u><u>600,900,638</u></u>

(b) Financial risk management objectives and policies

The Trust's activities expose it to a variety of financial risks: market risks (including foreign currency risk, price risk and interest rate risk) and credit risk. The Trustees manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Trust's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Trust's financial performance. The Trust does not use derivative financial instruments to hedge its risk exposures.

17. FINANCIAL INSTRUMENTS - continued

(b) Financial risk management objectives and policies - continued

(i) Market risk

Market risk represents the risk that the value of financial assets will decrease as a result of movements in market variables such as stock prices, interest rates and foreign exchange rates. The Trust's investments comprise of overseas unlisted funds and short-term bank deposits. The investment principle of the Trust is to invest prudently in order to preserve capital and contain risks while generating the required return and liquidity.

The Trustees monitor the actual exposures regularly according to the latest market conditions.

Foreign currency risk

The carrying amounts of the Trust's foreign currency denominated monetary assets at the reporting date are as follows:

	<u>ASSETS</u>	
	<u>2025</u>	<u>2024</u>
	HK\$	HK\$
United State dollars ("USD")	<u>679,483,849</u>	<u>620,987,912</u>

Price risk

Price risk represents the risk that the value of investment assets will decrease as a result of falling market prices. The Trust is exposed to price risk because some of the investments held by the Trust are classified on the statement of financial position as financial assets at FVTOCI and measured as fair value.

As at 31st August 2025, if the market price increase/decrease by 5% with all other variables held constant, the market value of the Trust's financial assets at FVTOCI will increase/decrease by HK\$32,579,423 while as at 31st August 2024 the market value of the Trust's financial assets at FVTOCI will increase/decrease by HK\$30,045,032.

Interest rate risk

Interest rate risk is the risk that the value and future cash flows of interest bearing instruments will decrease as a result of change in interest rate. The Trust has significant interest bearing assets in the form of bank deposits with maturity within three months and bank balances. Accordingly, the Trust's income and operating cash flows are subject to the changes in market interest rates. The Trust's fair value interest rate risk arises from bank deposits with maturity within three months at fixed rates.

17. FINANCIAL INSTRUMENTS - continued

(b) Financial risk management objectives and policies - continued

(i) Market risk - continued

Interest rate risk - continued

No sensitivity analysis on interest rate risk on bank balances is presented as the Trust considers the sensitivity on interest rate risk on bank balances is insignificant.

(ii) Credit risk and impairment assessment

As at 31st August 2025, the Trust's maximum exposure to credit risk which will cause a financial loss to the Trust due to failure to discharge an obligation by the counterparties is arising from the carrying amounts of the respective recognised financial assets as stated in the statement of financial position. In addition, the Trust performs impairment assessment under ECL model upon application of HKFRS 9.

With respect to the credit risk of the Trust's treasury operations, the Trustees have established internal procedures to monitor the Trust's bank balances to be placed and entered into with financial institutions with good reputation. These internal procedures also impose limitation on the amount outstanding and the credit ratings on bank balances to be held, so as to minimise the Trust's credit risk exposure.

The Trust's credit risk on bank balances is limited because the counterparties are financial institutions with high credit ratings assigned by international credit-rating agencies.

As at 31st August 2025, the Trust has assessed that the expected loss rates for bank balances were immaterial. Thus no loss allowance for bank balances was recognised.

(c) Fair value measurement of financial instruments

Other than the financial assets carried at fair value as detailed in the following table, the Trustees consider that the carrying amount of financial instrument that is recorded at amortised cost in the financial statements approximate its fair value.

17. FINANCIAL INSTRUMENTS - continued

(c) Fair value measurement of financial instruments - continued

Some of the Trust's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

<u>Financial assets</u>	<u>Fair value as at 31st August 2025 HK\$</u>	<u>Fair value as at 31st August 2024 HK\$</u>	<u>Fair value hierarchy</u>	<u>Valuation techniques and key inputs</u>
Financial assets at FVTOCI				
Unlisted funds	<u>651,588,458</u>	<u>600,900,638</u>	Level 2	Quoted prices in the over-the-counter markets

There was no transfer amongst Levels 1, 2 and 3 in both periods.

(d) Capital management

The Trust is established for the benefit of the Schools managed by the Council. It receives donations and make grants periodically to the Council for both specified and unspecified purposes. Such grants are made out of the donations received as well as any income derived from the assets of the Trust. There is no requirement to maintain capital, hence no policy exists to maintain or manage capital.