HELPING HAND

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

REPORTS AND FINANCIAL STATEMENTS

For the year ended 31 March 2026

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(LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)
REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committees submits herewith its annual report together with the audited consolidated financial statements of Helping Hand (the "Company") for the year ended 31 March 2026.

PRINCIPAL PLACE OF BUSINESS

Helping Hand (the "Company") is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of operation at 1/F., 12 Borrett Road, Hong Kong.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the Company and its subsidiary (the "Group") are to provide care, housing and recreational facilities, including care homes, housing for the elderly and a holiday resort centre cum day care unit, for the needy elderly of Hong Kong and the People's Republic of China.

RESULTS

The results of the Group for the year are set out in the consolidated statement of surplus or deficit and other comprehensive income and expenditure account on pages 70 and 71.

EXECUTIVE COMMITTEE MEMBERS

The executive committee members of the Company during the financial year and up to the date of this report were :

Mrs. Johanna Arculli (Chairperson)
Ms. Edith Shih (Vice Chairperson)
Mr. Frank Yee-chon Lyn (Hon Treasurer)
Ms. Veronica Tao (Hon Secretary)
Mr. Simon Yun-sang Yung (Hon Legal Advisor)
Hon Mr. Justice Kemal Bokhary
Dr. York Yat-ngok Chow
Ms. Regina Fuk-ching Gan
Mrs. Lena Harilela
Mr. Leo Lin-cheng Kung
Ms. Christina Oi-ping Lee
Dr. Joseph Lee
Ms. Christine Hay-tai Lie
Ms. Siemen Sin-man Tsai
Dr. Jessica Ogilvy-Stuart
Mr. Tim-leung Lui
Ms. Helena Suk-chong Wai
Mr. Andy Yung
Mr. Raymond Ming Joe Chow
Mr. Walter Chang
Dr. Tang Siu Fai (Appointed on 30 September 2025)

In accordance with Articles 15 of the Company's Articles of Association, all executive committee members of the Executive Committee retire from the committee and, being eligible, offer themselves for re-election.

A full list of the names of the directors of the Company's subsidiary is shown in note 8 to the consolidated financial statements.

INDEMNITY OF EXECUTIVE COMMITTEE MEMBERS

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the executive committee members of the Company is currently in force and was in force throughout this year.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the operation of the Group were entered into or existed during the year.

EXECUTIVE COMMITTEE MEMBERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transaction, arrangement or contract of significance in relation to the Group's operation to which the Company or its subsidiary was a party and in which an executive committee member of the Company had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or at any time during the year.

EXECUTIVE COMMITTEE MEMBERS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

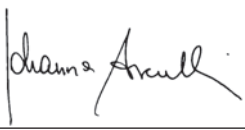
At no time during the year was the Company or its subsidiary a party to any arrangement to enable the executive committee members of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

AUDITORS

Crowe (HK) CPA Limited who acted as auditor of the Company retired and PKF Hong Kong Limited was appointed as auditor of the Company to fill casual vacancy so arising.

A resolution to re-appoint the retiring auditor, PKF Hong Kong Limited, is to be proposed at the forthcoming annual general meeting.

On behalf of the Executive Committee



Mrs. Johanna Arculli

Chairperson, Executive Committee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HELPING HAND

(Incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

Opinion

We have audited the consolidated financial statements of Helping Hand (the "Company") and its subsidiary (the "Group") set out on pages 70 to 111, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of surplus or deficit and other comprehensive income and expenditure account, the consolidated statement of changes in funds employed and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanation information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group 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.

Other Matter

The financial statements of the Company for the year ended 31 March 2025 were audited by another auditor who expressed an unmodified opinion on those statements in their report on 4 September 2025.

Information other than the consolidated financial statements and auditor's report thereon

The Executive Committee of the Company is responsible for the other information which comprises the information included in the Group's annual report for the year ended at 31 March 2026 ("Annual Report"), other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Committee for the consolidated financial statements

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

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

The Executive Committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.
- Conclude on the appropriateness of the Executive Committee'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 Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Executive Committee 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 director on the audit resulting in this independent auditor's report is Wan Tak Shing (Practising Certificate Number: P04844).



PKF Hong Kong Limited

Certified Public Accountants

Hong Kong

3 September 2026

CONSOLIDATED STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2026

	Note	2026 HK$	2025 HK$
Operating income and expenditure			
Community Chest allocation	21(a)	3,477,890	3,120,900
Donations – Others	21(b)	3,648,962	3,489,179
Interest income		15,437	21,895
Lump sum grant		71,493,706	72,371,102
Meal income		7,120,729	7,100,401
Meal income from staff		443,780	490,295
Rental income		18,604,422	18,058,314
Sundry income		5,734,094	5,028,606
SWD Subvention for homes		9,712,836	8,149,715
SWD others		39,400	–
Total operating income		120,291,256	117,830,407
Donations for capital costs			
SWD – Block Grants		1,295,537	880,566
Community Chest Capital Project	21(b)	345,244	688,070
Others	21(b)	3,326,068	2,215,728
Total capital income		4,966,849	3,784,364
Less:			
Operating expenditure		(130,582,272)	(131,156,744)
Finance cost		(323,583)	(74,828)
Net operating deficit		(5,647,750)	(9,616,801)
Administrative income and expenditure			
Community Chest allocation	21(a)	449,000	449,000
Net gain on financial assets at fair value through profit or loss		944,203	3,082,911
General donations	21(b)	1,766,966	2,339,109
Donation for running cost	21(b)	348,714	526,654
Donation for capital costs	21(b)	16,755,609	16,383,595
Interest income		1,727,524	2,179,175
Lump sum grant		7,268,867	7,416,690
Membership fee and sponsoring membership		24,778	15,161
Sundry income		26,317	62,901
Exchange gain		141,384	15,459
SWD – Others		495,000	165,000
Total administrative income		29,948,362	32,635,655
Less:			
Administrative expenditure		(9,649,719)	(9,638,271)
Depreciation of property, plant and equipment		(22,396,236)	(21,642,016)
Net administrative (deficit)/surplus		(2,097,593)	1,355,368

Consolidated Statement of Surplus or Deficit and Other Comprehensive Income and Expenditure Account

For The Year Ended 31 March 2026

	Note	2026 HK$	2025 HK$
Fund raising events			
Cookie Campaign			
Donation income		2,476,424	2,771,905
Expenditure		(835,761)	(1,024,361)
		1,640,663	1,747,544
Other fund raising events			
Donation income		513,866	1,380,739
Expenditure		(322,961)	(397,103)
		190,905	983,636
Holiday Centre	5		
Operating income		40,382,510	45,467,796
Operating expenditure		(25,115,319)	(27,959,905)
		15,267,191	17,507,891
Surplus for the year		9,353,416	11,977,638
Other comprehensive income/(expenditure) for the year			
Item that may be reclassified subsequently to surplus or deficit:			
Exchange differences on translation of financial statements of foreign operation		1,998,930	(283,519)
Total comprehensive income for the year		11,352,346	11,694,119

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

	Note	2026 HK$	2025 HK$
Non-current assets			
Property, plant and equipment	6(a)	133,923,398	153,067,123
Financial assets at fair value through profit or loss	7	15,168,857	14,497,687
		149,092,255	167,564,810
Current assets			
Inventories	9	179,711	130,834
Trade and other receivables	10	8,894,403	5,660,245
Deposits with banks (maturity over 3 months)	11(b)	21,965,339	35,557,960
Cash and cash equivalents	11(a)	74,963,368	49,305,603
		106,002,821	90,654,642
Current liabilities			
Trade and other payables	12	17,914,349	18,672,208
Lease liabilities	14	2,793,806	1,887,519
Deferred income	15	19,481,972	31,558,820
		40,190,127	52,118,547
Net current assets		65,812,694	38,536,095
Total assets less current liabilities		214,904,949	206,100,905
Non-current liabilities			
Long service payment obligation	13	1,119,881	–
Lease liabilities	14	2,077,668	4,017,542
Deferred income	15	10,590,178	11,084,534
		13,787,727	15,102,076
Net assets		201,117,222	190,998,829

	Note	2026 HK$	2025 HK$
Funds employed :			
General reserve		1,885,526	1,885,526
Exchange reserve		6,575,426	4,576,496
Christa Tisdall Fund	16	13,239	13,239
The Hong Kong Jockey Club Charities Trust	17	108,488,466	100,041,388
Holiday Centre project:			
Gold Coin Fund	18	77,636,711	77,636,711
SWD Reserve Fund	19	2,091,898	2,091,898
Others		1,316,280	1,316,280
SWD Lotteries Fund	20	95,339,874	87,042,494
General deficit		(92,230,198)	(83,605,203)
Total funds employed		201,117,222	190,998,829

Approved and authorised for issue by the executive committee on 3 September 2026.



Mrs Johanna Arculli
Chairperson, Executive Committee



Mr. Frank Yee-chon Lyn
Hon Treasurer, Executive Committee

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS EMPLOYED

For the year ended 31 March 2026

	General reserve HK$	**Exchange reserve** HK$	**Christa Tisdall Fund** HK$	**The Hong Kong Jockey Club Charities Trust** HK$
At 1 April 2024	1,885,526	4,860,015	13,239	91,773,695
Total comprehensive income for the year	–	(283,519)	–	–
Transfer	–	–	–	8,267,693
At 31 March 2025 and 1 April 2025	1,885,526	4,576,496	13,239	100,041,388
Total comprehensive income for the year	–	1,998,930	–	–
Release to statement of surplus or deficit	–	–	–	(1,233,953)
Transfer	–	–	–	9,681,031
At 31 March 2026	1,885,526	6,575,426	13,239	108,488,466

The accompanying notes form part of these financial statements.

Holiday Centre Project					
Gold Coin Fund HK$	**SWD Reserve Fund** HK$	**Others** HK$	**SWD Lotteries Fund** HK$	**General deficit** HK$	**Total** HK$
77,636,711	2,091,898	1,316,280	78,939,796	(79,212,450)	179,304,710
–	–	–	–	11,977,638	11,694,119
–	–	–	8,102,698	(16,370,391)	–
77,636,711	2,091,898	1,316,280	87,042,494	(83,605,203)	190,998,829
–	–	–	–	9,353,416	11,352,346
–	–	–	–	–	(1,233,953)
–	–	–	8,297,380	(17,978,411)	–
77,636,711	2,091,898	1,316,280	95,339,874	(92,230,198)	201,117,222

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	Note	2026 HK$	2025 HK$
Operating activities			
Surplus for the year		9,353,416	11,977,638
Adjustments for:			
Depreciation		30,392,325	29,134,509
Interest income		(1,742,961)	(2,201,070)
Finance cost		365,248	74,828
Donation income including release of deferred income		(18,135,869)	(29,357,306)
Reversal of provision for untaken annual leave		(44,027)	(309,936)
Provision/(reversal of provision) for long service payment		88,377	(77,702)
Fair value gain on financial assets at fair value through profit or loss		(581,769)	(3,082,911)
Foreign exchange gain		–	(15,459)
Net loss on disposal of property, plant and equipment		58,426	284,569
		19,753,166	6,427,160
Operating profit before working capital changes			
(Increase)/decrease in inventories		(48,877)	56,786
Increase in trade and other receivables		(3,234,158)	(1,651,325)
Increase/(decrease) in trade and other payables		276,007	(1,471,115)
Net cash generated from operating activities		16,746,138	3,361,506
Investing activities			
Interest received		1,742,961	2,217,514
Proceeds received upon maturity of fixed deposits with maturity over 3 months		34,756,799	67,164,333
Funds placed to fixed deposits with maturity over 3 months		(21,099,427)	(59,900,785)
Payment for the purchases of property, plant and equipment		(9,371,820)	(6,956,484)
Fund (used)/withdrawal from financial assets at fair value through profit or loss		(153,430)	315,000
Net cash generated from investing activities		5,875,083	2,839,578
Financing activities			
Deferred income received		4,330,712	2,749,340
Donations received		–	11,857,125
Interest element of lease liabilities paid	11(c)	(323,583)	(74,828)
Capital element of lease liabilities paid	11(c)	(2,397,561)	(2,087,180)
Net cash generated from financing activities		1,609,568	12,444,457
Net increase in cash and cash equivalents		24,230,789	18,645,541
Cash and cash equivalents at beginning of the year	11(a)	49,305,603	30,619,167
Effect of foreign exchange rate changes, net		1,426,976	40,895
Cash and cash equivalents at end of the year	11(a)	74,963,368	49,305,603

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

1. GENERAL INFORMATION

Helping Hand (the "Company"), a company limited by guarantee and its subsidiary (together the "Group"), is a charitable organisation engaged in providing care, housing and recreational facilities, including care homes, housing for the elderly and a holiday resort centre cum day care unit, for the needy elderly of Hong Kong and the People's Republic of China ("the PRC"). The Company has obtained permission from the Registrar of Companies to omit "Limited" from its name. The income and property of the Company, wheresoever derived, is applied solely towards the promotion of the objects set out in the Company's memorandum of association. The Company's funds are not distributable to its members.

2. BASIS OF PREPARATION

(a) Compliance with HKFRS Accounting Standards

The financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance.

(b) Initial application of HKFRS Accounting Standards

In the current year, the Company has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for annual periods beginning or after 1 April 2025 for the preparation of the financial statements:

Amendments to HKAS 21	Lack of Exchangeability

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

2. BASIS OF PREPARATION (Continued)

(c) HKFRS Accounting Standards in issue but not yet effective

The following HKFRS Accounting Standards in issue at 31 March 2026 have not been applied in the preparation of these financial statements for the year then ended since they were not yet effective for the annual period beginning on 1 April 2025:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[2]
HKFRS 19*	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to HKFRS 19*	Amendments to Subsidiaries without Public Accountability: Disclosures[2]
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

[1] Effective for annual periods beginning on or after 1 January 2026

[2] Effective for annual periods beginning on or after 1 January 2027

[3] Effective for annual periods beginning on or after a date to be determined

* HKFRS 19 is not applicable to listed issuers. It is a voluntary standard for eligible non-listed subsidiaries.

The Executive Committee is in the process of assessing the potential impact of the new and amended HKFRS Accounting Standards but are not yet in a position to determine whether the new and amended HKFRS Accounting Standards will have material impact on the Company's performance and financial position and on the disclosures. The new and amended HKFRS Accounting Standards may result in changes to how the Company's performance and financial position are prepared and presented in the future.

3. MATERIAL ACCOUNTING POLICIES

(a) Subsidiary

Subsidiary is entity controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the elements of control.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Where necessary, adjustments are made to the financial statements of subsidiary to bring the accounting policies used into line with the group's accounting policies. Intra-group balances, transactions and cash flows and any unrealized profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses, unless the investment is classified as held for sale (see note 3(e)).

(b) Other investments in equity securities

The Group's policies for investments in equity securities, other than investment in subsidiary, are set out below:

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. All regular way purchases or sales of equity securities are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of equity securities that require delivery of assets within the time frame established by regulation or convention in the market place. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments. The investments are subsequently accounted for as follows, depending on their classification.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Other investments in equity securities (Continued)

Equity investments

An investment in equity security is classified as financial assets at FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at fair value through other comprehensive income (FVOCI) (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections is made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to general deficit. It is not recycled through surplus or deficit. Dividends from an investment in equity security, classified as at FVOCI, are recognised in surplus or deficit as other income in accordance with the policy set out in note 3(o), unless the dividends clearly represent a recovery of part of the cost of the investment.

Financial assets at FVPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in surplus or deficit. The net gain or loss recognised in surplus or deficit includes any dividend and is included in the surplus or deficit as a line item, unless the dividends clearly represent a recovery of part of the cost of the investment.

(c) Property, plant and equipment

The following items of property, plant and equipment for own use, other than construction in progress, are stated at cost less accumulated depreciation and any accumulated impairment losses (see note 3(e)(ii)):

- interests in leasehold land and buildings where the Group is the registered owner of the property interest;
- right-of-use assets arising from leases over leasehold properties where the Group is not the registered owner of the property interest; and
- other items of property, plant and equipment, including right-of-use assets arising from leases of underlying property, plant and equipment.

Depreciation is calculated to write off the cost of items of property, plant and equipment, other than construction in progress, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Buildings situated on leasehold land are depreciated over the shorter of the unexpired terms of leases and their estimated useful lives, being no more than 50 years after the date of completion.
- Leasehold improvements — 4 to 15 years or over the remaining term of the lease
- Furniture and fixtures — 4 to 5 years
- Office equipment — 4 to 5 years
- Motor vehicles — 4 to 5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Historical cost includes expenditure that is directly attributable to the acquisition of an item of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised in statement of surplus or deficit and other comprehensive income and expenditure account during the financial period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain or loss arising from the retirement or disposal of an item of property, plant and equipment is determined as the difference between the net proceeds on disposal and the carrying amount of the item and is recognised in statement of surplus or deficit and other comprehensive income and expenditure account on the date of retirement or disposal.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(c) Property, plant and equipment (Continued)

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognised in surplus or deficit. The cost of those items is measured in accordance with the measurement requirements of HKAS 2 Inventories ("HKAS 2"). Such property, plant and equipment are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

(d) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. The Group will reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are subsequently changed. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and do not have a purchase option and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised at the commencement date of the lease, the lease liability is initially recognised at the present value of the lease payments (less any lease incentives receivable) payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred. Lease payments also include amounts expected to be payable by the Group under residual value guarantees; the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date less any lease incentives received, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, a provision is recognised and measured under HKAS 37. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities (see notes 3(c) and 3(e)).

The initial fair value of refundable rental deposits paid is accounted for separately from the right-of-use asset in accordance with the accounting policy applicable to financial asset measured at amortised cost (see notes 3(g) and 3(e)(i)). Any difference between the initial fair value and the nominal value of the deposits is accounted for as additional lease payment made and is included in the cost of right-of-use asset.

The Group presents right-of-use assets, that do not meet the definition of investment property, in "property, plant and equipment", the same line item within which the corresponding underlying assets would be presented if they were owned.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Leases (Continued)

(i) As a lessee (Continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate used to determine those payments, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, by discounting the revised lease payments using an unchanged discount rate, unless the change in lease payments results from a change in floating interest rates. In that case, the lessee shall use a revised discount rate that reflects changes in the interest rate. When there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate, being the interest rate implicit in the lease for the remainder of the lease term, or the Group's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. When the lease liability is remeasured in either of these ways, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") and that is not accounted for as a separate lease. In this case the consideration in the modified contract is allocated to each lease component on the basis of the relative stand-alone price of the lease component and the associated non-lease components are included in the respective lease components. The lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

The Group presents lease liabilities as a separate line item in the consolidated statement of financial position. In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(e) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses (ECL) for financial assets measured at amortised cost (including deposits with banks, cash and cash equivalents and trade and other receivables).

Financial assets measured at fair value, including equity securities measured at FVPL, are not subject to the ECL assessment.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses over the expected life of the financial instrument. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECL, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

ECL are measured on either of the following bases:

- 12-month ECL ("12m ECL"): these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECL: these are losses that are expected to result from all possible default events over the expected life of a financial instrument.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL. ECL on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12m ECL unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECL.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group 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.

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

- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor;
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group;
- an actual or expected internal credit rating downgrade for the borrower; and
- significant changes in the expected performance and behaviour of the borrower.

The Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECL are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in surplus or deficit. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Basis of calculation of interest income

Interest income recognised in accordance with note 3(o)(vi) 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 the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it is becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses; or
- the disappearance of an active market for that financial asset because of financial difficulties of the issuer

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in surplus or deficit in the period in which the recovery occurs.

(ii) Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment; and
- investments in a subsidiary in the Company's statement of financial position.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Credit losses and impairment of assets (Continued)

(ii) Impairment of non-financial assets (Continued)

If any such indication exists, the asset's recoverable amount is estimated.

– Calculation of recoverable amount

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit). A portion of the carrying amount of a corporate asset (for example, head office building) is allocated to an individual cash-generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.

– Recognition of impairment losses

An impairment loss is recognised in the statement of surplus or deficit and other comprehensive income and expenditure account if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment loss recognised in respect of a cash-generating unit is allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below the highest of its individual fair value less costs of disposal (if measurable) or value in use (if determinable) and zero.

– Reversal of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the statement of surplus or deficit and other comprehensive income and expenditure account in the year in which the reversals are recognised.

(f) Inventories

Inventories are assets which are held for sale in the ordinary course of operation, in the process of production for such sale or in the form of material or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expenditure in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expenditure in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expenditure in the period in which the reversal occurs.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(g) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost, using the effective interest method, less allowance for ECL (see note 3(e)(i)).

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for expected credit losses (ECL) in accordance with the policy set out in note 3(e)(i).

Cash at bank excludes bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash.

(i) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(j) Derecognition of financial assets

The Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group 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 surplus or deficit.

(k) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in surplus or deficit.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(l) Employee benefits

i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standards requires or permits the inclusion of the benefit in the cost of an asset.

Contributions to the Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are charged to statement of surplus or deficit and other comprehensive income and expenditure account when incurred.

ii) Defined benefit plan obligations

The Group has a defined benefit plan, representing long service payment ("LSP") under the Hong Kong Employment Ordinance. The Group's net defined benefit obligation in respect of LSP is recognised in the consolidated statement of financial position. The Group's net defined benefit obligation is measured by discounting the estimated cost to the Group of the benefit that employees have earned in return for their service in the current and prior periods, after deducting the negative service cost arising from the accrued benefits derived from the Group's Mandatory Provident Fund ("MPF") contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises re-structuring costs involving the payment of termination benefits.

(m) Income tax

Income tax for the year comprises current tax and deferred tax expenses. Current tax and movements in deferred tax assets and liabilities are recognised in statement of surplus or deficit except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case they are recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for the business combination, the tax effect is included in the accounting for the business combination.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary difference, provided that those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(m) Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are:

- temporary differences arising from goodwill not deductible for tax purposes;
- temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination) and do not give rise to equal taxable and deductible temporary differences;
- temporary differences relating to investments in subsidiaries, associates and joint ventures to the extent that the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future and taxable profits will be available; and
- temporary differences related to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends, is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if a group entity has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the group entity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
- the same taxable entity; or
- different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(n) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group is also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(o) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services in the ordinary course of the Group's operation.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer at contract inception, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

i) government grants for specific capital costs of projects are deferred and released to the statement of surplus or deficit and other comprehensive income and expenditure account as income when those specific capital costs are incurred. Any unused grants are classified as deferred income under current liabilities as further explained in note 3(r) below;

ii) donations received from specific donors (other than government bodies) for specific purposes are deferred and released to the statement of surplus or deficit and other comprehensive income and expenditure account as income when the donations are expended on those specific purposes. Any unused donations are classified as funds within the funds employed section of the statement of financial position;

iii) donations and government subventions other than the items (i) and (ii) above, on a cash receipt basis. Any excess government subventions to be refunded to government are classified as trade and other payables under current liabilities;

iv) income from functions organised by the Group, on a cash receipt basis;

v) membership fee and sponsorship membership fee, in the accounting year to which the subscription are related.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(o) Revenue and other income (Continued)

vi) interest income is recognised as it accrues using the effective interest method. For financial assets (other than purchased or originated credit-impaired financial assets) measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 3(e)(i)).

vii) rental and meals income, in the period when the services are rendered;

viii) income from sale of investments, on the transaction dates when the relevant contract notes are exchanged;

ix) sales of goods, transfer of control over goods which generally coincides with the time when the goods are delivered to customers and title has passed; and

(x) dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(p) Translation of foreign currencies

Foreign currency transactions during the year are translated into the functional currency of a group entity at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of a group entity at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in the statement of surplus or deficit and other comprehensive income and expenditure account, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from funds employed to surplus or deficit on disposal or partial disposal of the Group's net investment in the foreign operation.

Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated into the functional currency of a group entity using the foreign exchange rates ruling at the transaction dates and are not re-translated. The transaction date is the date on which a group entity initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

When a fair value gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is also recognised in surplus or deficit. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income.

The results of foreign operations are translated into Hong Kong dollars at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the foreign exchange rates ruling at the dates of the transactions are used. Items in statement of financial position are translated into Hong Kong dollars at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and expenditure and accumulated separately in the exchange reserve in funds employed.

(q) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

i) has control or joint control over the Group;

ii) has significant influence over the Group; or

iii) is a member of the key management personnel of the Group or the Group's parent.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(q) Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions applies:

i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

iii) Both the entity and the Group are joint ventures of the same third party.

iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

vi) The entity is controlled or jointly controlled by a person identified in (a).

vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(r) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in statement of surplus or deficit and other comprehensive income and expenditure account on a systematic basis over the periods in which the Group recognises as expenditure the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to statement of surplus or deficit and other comprehensive income and expenditure account on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in statement of surplus or deficit and other comprehensive income and expenditure account in the period in which they become receivable.

(s) Projects surplus/(deficit)

Donations and other income received and expenditure incurred on project operations during the year are dealt with in the projects' statement of surplus or deficit and other comprehensive income and expenditure account.

4. INCOME TAX

(a) Income tax in the consolidated statement of surplus or deficit

The Company being a charitable organisation is exempt from Hong Kong Profits Tax by virtue of Section 88 of the Inland Revenue Ordinance.

No PRC Enterprise Income Tax has been provided for in the consolidated financial statements as the subsidiary, Zhaoqing Helping Hand Home for The Elderly Limited, has no assessable profits for the year (2025: Nil)

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

	2026 HK$	2025 HK$
Surplus before taxation	9,353,416	11,977,638
Notional tax on surplus before taxation, calculated at the rates applicable to deficit in the countries concerned	1,424,052	1,823,620
Tax effect of income not taxable for tax purpose	(30,584,054)	(31,594,418)
Tax effect of expenses not deductible for tax purpose	29,153,967	29,321,712
Tax effect of tax losses not recognised	6,035	449,086
Tax charge for the year	–	–

(c) Deferred tax assets not recognized

As at 31 March 2026, the Group has unused tax losses of HK$15,457,933 (2025: HK$15,482,074) available for offset against future surplus that may be carried forward with expiry date of within 5 years in the tax jurisdiction of the PRC. No deferred tax assets have been recognised in respect of the tax losses due to the unpredictability of future surplus streams.

5. HOLIDAY CENTRE

The Holiday Centre is subvented by the Social Welfare Department (the "SWD"). During the year, subventions, camp fees, donations and other income received amounted to HK$40,382,510 (2025: HK$45,467,796).

6. PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

	Right-of use assets HK$	Buildings HK$
Cost		
At 1 April 2024	13,745,423	235,548,977
Effect of foreign currency exchange differences	(31,574)	(855,537)
Additions	6,048,262	21,702
Disposals	–	(1,508,370)
At 31 March 2025 and 1 April 2025	19,762,111	233,206,772
Effect of foreign currency exchange differences	155,403	5,525,514
Additions	1,363,974	–
Disposals	–	(32,836)
At 31 March 2026	21,281,488	238,699,450
Accumulated depreciation		
At 1 April 2024	9,435,270	135,657,790
Effect of foreign currency exchange differences	(5,998)	(605,993)
Charge for the year	2,076,835	5,169,375
Disposals	–	(1,343,493)
At 31 March 2025 and 1 April 2025	11,506,107	138,877,679
Effect of foreign currency exchange differences	169,597	3,963,985
Charge for the year	2,609,539	5,518,438
Disposals	–	(1,385)
At 31 March 2026	14,285,243	148,358,717
Carrying amounts		
At 31 March 2026	6,996,245	90,340,733
At 31 March 2025	8,256,004	94,329,093

Leasehold improvements HK$	Furniture and fixtures HK$	Office equipment HK$	Motor vehicles HK$	Construction in-progress HK$	Total HK$
86,949,483	17,928,761	29,101,025	11,151,712	76,018	394,501,399
(26,040)	(36,015)	(57,578)	(23,910)	(2,516)	(1,033,170)
920,436	3,568,250	2,206,365	–	239,731	13,004,746
–	(292,655)	(1,677,715)	(309,593)	–	(3,788,333)
87,843,879	21,168,341	29,572,097	10,818,209	313,233	402,684,642
168,075	234,287	398,167	158,587	84,463	6,724,496
3,972,876	535,688	1,757,734	301,346	1,612,769	9,544,387
(29,200)	(140,222)	(487,621)	–	–	(689,879)
91,955,630	21,798,094	31,240,377	11,278,142	2,010,465	418,263,646
28,827,244	16,597,649	23,297,641	10,908,562	–	224,724,156
(13,889)	(34,718)	(55,235)	(21,549)	–	(737,382)
17,710,956	1,351,652	2,825,691	–	–	29,134,509
–	(289,807)	(1,591,830)	(278,634)	–	(3,503,764)
46,524,311	17,624,776	24,476,267	10,608,379	–	249,617,519
91,134	224,098	379,802	133,241	–	4,961,857
18,334,521	1,094,338	2,812,888	22,601	–	30,392,325
(2,374)	(140,073)	(487,621)	–	–	(631,453)
64,947,592	18,803,139	27,181,336	10,764,221	–	284,340,248
27,008,038	2,994,955	4,059,041	513,921	2,010,465	133,923,398
41,319,568	3,543,565	5,095,830	209,830	313,233	153,067,123

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Right-of-use assets

The analysis of the carrying amount of right-of-use assets by class of underlying asset is as follows:

	2026 HK$	**2025** HK$
Ownership interests in leasehold land held for own use, carried at cost less depreciation in the People's Republic of China	2,235,861	2,351,547
Property leased for own use, carried at cost less depreciation	4,760,384	5,904,457
	6,996,245	8,256,004

The analysis of expense items in relation to leases recognised in surplus or deficit is as follows:

	2026 HK$	**2025** HK$
Depreciation charge of right-of-use assets by class of underlying asset:		
Ownership interests in leasehold land	22,601	99,347
Property leased for own use	2,586,938	1,977,488
	2,609,539	2,076,835
Interest on lease liabilities	323,583	74,828
Expense relating to short-term leases	4,700,903	3,540,290

Note:

During the year, additions to right-of-use assets were HK$ 1,363,974 (2025: HK$6,048,262). This amount related to the capitalised lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 11(d) and 14, respectively.

Ownerships interests in leasehold land held for own use

The Group holds a leasehold land, where one of its elderly residential homes is located. The Group is the registered owner of these property interests, including the whole or part of undivided share in the underlying land. Lump sum payments were made upfront to acquire these property interests from its previous registered owners, and there are no ongoing payments to be made under the land lease, other than payments based on rateable values set by relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

Property leased for own use

The Group has obtained the right to use properties as elderly residential care home through tenancy agreement. The lease typically run for an initial period of three years. The lease does not include an option to renew the lease after the end of the contract term and variable lease payments.

The Group regularly entered into short-term leases for properties for use as elderly residential care home. As at 31 March 2026 and 2025, the portfolio of short-term leases is similar to the portfolio of short-term lease to which the short-term leases expense disclosed above.

7. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group held funds and equity securities under management as follows:

	2026 HK$	2025 HK$
At fair values:		
Equity securities listed in Hong Kong	11,540,192	10,495,814
Equity securities listed outside Hong Kong	3,527,317	2,952,995
Cash under management	101,348	1,048,878
	15,168,857	14,497,687

At the end of the reporting period, the financial assets at FVTPL are stated at fair values based on valuation provided by respective fund managers and the current bid prices in active market for the funds and the listed equity securities respectively.

8. SUBSIDIARIES

The particulars of the Group's subsidiary, which is unlisted and limited liability company, are set out as follows:

Name	Place of Incorporation and operation	Class of shares held	Particulars of paid up capital	Percentage of interest held	Principal activity
Zhaoqing Helping Hand Home for The Elderly Limited*	The PRC	Registered	HK$93,587,520 (2025: HK$93,267,520)	100%	Operation of a care home for the elderly

* A wholly foreign owned enterprise

The directors of the subsidiary during the financial year and up to the date of this report were:

Mr. Leo-Lin-cheng Kung
Mr. Stephen Wing-fai, Sun
Mr. Simon Yun-sang Yung
Ms. Helena Suk Chong Wai
Mr. Tim-leung Lui
Dr. York Yat-ngok Chow
Mr. Frank Yee-chon Lyn

9. INVENTORIES

	2026 HK$	2025 HK$
Merchandises	179,711	130,834

All of the inventories are expected to be recovered within one year.

10. TRADE AND OTHER RECEIVABLES

	2026 HK$	2025 HK$
Other receivables	3,711,808	1,188,067
Prepayments and deposits	5,182,595	4,472,178
	8,894,403	5,660,245

All of the receivables are neither past due nor impaired and are expected to be recovered within one year and prepayments are expected to be recognised as expense within one year.

The Group does not hold any collateral as security.

11. CASH AND CASH EQUIVALENTS AND DEPOSITS WITH BANK (MATURITY OVER 3 MONTHS)

(a) Cash and cash equivalents

	2026 HK$	2025 HK$
Deposits with banks	54,862,471	26,374,584
Cash at banks and on hand	20,100,897	22,931,019
Cash and cash equivalents in the consolidated statement of financial position and the consolidated statement of cash flows	74,963,368	49,305,603

The interest rates on the deposits with banks and cash at banks ranged from 0% to 3.50% (2025: 0% to 3.90%) per annum.

(b) Deposits with banks (maturity over 3 months)

The interest rates on the deposits with banks with maturity over 3 months ranged from 2.35% to 3.40% (2025: 1.10% to 4.10%) per annum.

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's statement of cash flows as cash flows from financing activities.

	Lease liabilities HK$
At 1 April 2024	1,943,979
Changes from financing cash flows:	
Capital element of lease liabilities paid	(2,087,180)
Interest element of lease liabilities paid	(74,828)
Total changes from financing cash flows	(2,162,008)
Other changes	
New lease entered	6,048,262
Interest expense	74,828
	6,123,090
At 31 March 2025	5,905,061

11. CASH AND CASH EQUIVALENTS AND DEPOSITS WITH BANK (MATURITY OVER 3 MONTHS) (Continued)

(c) Reconciliation of liabilities arising from financing activities (Continued)

	Lease liabilities HK$
At 1 April 2025	5,905,061
Changes from financing cash flows:	
Capital element of lease liabilities paid	(2,397,561)
Interest element of lease liabilities paid	(323,583)
Total changes from financing cash flows	(2,721,144)
Other changes	
New lease entered	1,363,974
Interest expense	323,583
	1,687,557
At 31 March 2026	4,871,474

(d) Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	2026 HK$	2025 HK$
Within operating cash flows	4,700,903	3,540,290
Within financing cash flows	2,721,144	2,162,008
	7,422,047	5,702,298

12. TRADE AND OTHER PAYABLES

As at 31 March 2025, long service payment obligation of HK$989,839 is included in the trade and other payables. All of the trade and other payables are expected to be settled or recognised as income within the one year or are repayable on demand.

13. LONG SERVICE PAYMENT OBLIGATION

	HK$
At 1 April 2025	989,839
Current service cost	88,377
Interest expenses	41,665
At 31 March 2026	1,119,881

The past and current service costs and the net interest expense for the year are included in the employee benefits expenses in profit or loss.

The significant actuarial assumptions used in valuing these obligations as at 31 March 2026 are as follows :

Discount rate	4%
Expected investment return on offsetable MPF accrued benefits	4.5%

All assumption rates are on a per annum basis.

14. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the reporting periods.

	Present value of minimum lease payments		**Minimum lease payments**	
	2026 HK$	**2025** HK$	**2026** HK$	**2025** HK$
Within one year	2,793,806	1,887,519	2,887,544	2,173,544
After 1 year but within 2 years	2,077,668	1,945,556	2,287,944	2,176,416
After 2 years but within 5 years	–	2,071,986	–	2,111,472
	2,077,668	4,017,542	2,287,944	4,287,888
	4,871,474	5,905,061	5,175,488	6,461,432
Less: Future finance charges			(304,014)	(556,371)
Present value of lease obligation			4,871,474	5,905,061

The incremental borrowing rates applied to lease liabilities is 6.50% (2025: 6.50%).

15. DEFERRED INCOME

	2026 HK$	2025 HK$
Block Grants received from The Government of the Hong Kong Special Administrative Region (the"HKSAR") (note a)	2,554,940	2,392,474
Lotteries Fund received from the HKSAR		
New Care Home	2,825,680	1,560,000
Renovation Works for Helping Hand Cheung Muk Tau Holiday Centre for the Elderly (note b)	12,197,529	19,323,159
	15,023,209	20,883,159
The Hong Kong Jockey Club Charities Trust		
Upgrade of Cheung Muk Tau Holiday Centre for the Elderly (note c)	12,494,001	19,367,721
	30,072,150	42,643,354
Presented as:		
Current liabilities	19,481,972	31,558,820
Non-current liabilities	10,590,178	11,084,534
	30,072,150	42,643,354

During the year, a total sum of HK$1,573,358 (2025: HK$148,745) was received from Hong Kong Jockey Club Charities Trust of which capital donation of HK$1,573,358 (2025: HK$148,745) (note d) is included in the above balance.

(a) Block Grants received from The Government of the HKSAR

		HK$	HK$
Credit balance brought forward from previous financial year			2,392,474
Add:	Block Grants received during the year	1,581,000	
	Interest income received	4,603	
			1,585,603
Less:	Expenditure during the year		
	Furniture & Equipment	1,064,237	
	Minor Work Projects	215,900	
	Vehicle Overhauling	143,000	
			(1,423,137)
			2,554,940

The Block Grants received from the Government of the HKSAR can only be used for minor work projects, furniture and equipment replenishment and vehicle overhauling.

15. DEFERRED INCOME (Continued)

(a) Block Grants received from The Government of the HKSAR (Continued)

Capital commitments

As at 31 March 2026, the outstanding commitments in respect of F&E Replenishment and Minor Works Grant not provided for in the financial statements were as follows

	2026 HK$	2025 HK$
Contracted for	48,850	20,699
Authorised but not contracted for	2,506,090	2,371,775
	2,554,940	2,392,474

(b) Renovation Works for Helping Hand Cheung Muk Tau Holiday Centre for the Elderly

		HK$
Credit balance brought forward from previous financial year		19,323,159
Add:	Lotteries Fund received during the year	1,171,750
Less:	Amortised over the useful life of property, plant and equipment	(8,297,380)
Credit balance carried forward to the next financial year		12,197,529

(c) The Hong Kong Jockey Club Charities Trust - Upgrade of Cheung Muk Tau Holiday Centre for the Elderly

		HK$
Credit balance brought forward from previous financial year		19,367,721
Add:	Donation received during the year	1,573,358
Less:	Amortised over the useful life of property, plant and equipment	(8,447,078)
Credit balance carried forward to the next financial year		12,494,001

16. CHRISTA TISDALL FUND

The Christa Tisdall Fund was established to provide leisure and recreation activities for elderly people and was approved by the Executive Committee at a Board meeting held on 31 March 1990.

17. THE HONG KONG JOCKEY CLUB CHARITIES TRUST

The donation received from Hong Kong Jockey Club Charities Trust was utilised for the establishment of a care home for the elderly in Zhaoqing, Mainland China and upgrade of Cheung Muk Tau Holiday Centre for the Elderly in Hong Kong, the cost of which is included in property, plant and equipment.

18. GOLD COIN FUND – HOLIDAY CENTRE

The fund represents costs incurred by the Company and the Group and reimbursed by The Government of the HKSAR in respect of the construction of the Cheung Muk Tau Holiday Centre, the cost of which is included in property, plant and equipment.

19. SWD RESERVE FUND – HOLIDAY CENTRE

The fund represents costs incurred by the Company and the Group and reimbursed by the Social Welfare Department in respect of the renovation works of the Cheung Muk Tau Holiday Centre for the Elderly, the cost of which is included in property, plant and equipment.

20. SWD LOTTERIES FUND

The fund represents costs incurred by the Company and the Group and reimbursed by the Government of the HKSAR in respect of the construction of Helping Hand Father Sean Burke Care Home and the Cheung Muk Tau Holiday Centre for the Elderly renovation, the cost of which is included in property, plant and equipment.

21. DONATIONS

(a) Donations from Community Chest - Baseline Allocation

The total donation granted from the Community Chest for the year ended 31 March 2026 amounting to HK$3,926,890 (2025: HK$3,569,900) has been allocated as follows:

	2026 HK$	2025 HK$
Homes	2,552,240	2,195,250
Occupational Therapy Unit	422,360	422,360
Physiotherapy Unit	503,290	503,290
	3,477,890	3,120,900
Head office	449,000	449,000
	3,926,890	3,569,900

(b) Other donations

The total donations received from others (excluding donations received in cookie campaign and other fund raising events for the year ended 31 March 2026 is as follows:

	2026 HK$	2025 HK$
Homes – Community Chest Capital project	345,244	688,070
Homes – Operating income	3,648,962	3,489,179
Homes – Donations for capital costs	3,326,068	2,215,728
Head office – Administrative income	2,115,680	2,865,763
Head office – Donations for capital costs	16,755,609	16,383,595
Holiday centre – Operating income	65,375	301,012
Holiday centre – Donations for capital costs	137,950	5,940
	26,394,888	25,949,287

22. FINANCIAL AND CAPITAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT

The Group's major financial instruments include financial assets at fair value through profit or loss, trade and other receivables, trade and other payables, deposits with banks, cash and cash equivalents and lease liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk, liquidity risk, currency risk, interest rate risk and other price risk. The policies on how to mitigate these risks are set out below. The Executive Committee manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

a) Credit risk

i) Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

ii) The Group's credit risk arises mainly from the investments held by fund managers. Given the high credit ratings, good reputation and past prevailing good performances of the fund managers who are managing the investment portfolios, the Group's management has confidence that they could meet their obligations. Fund managers monitor the credit risks with reference to their respective portfolio mandates. Also, the Group's investment sub-committee was appointed to make direct investment on equities with guidelines on the maximum holding of 45% (2025: 45%) with upper allowance of not exceeding 10% (2025: 10%) equities for all portfolios and equities on hand in aggregate. Both parties submit reports on portfolio performance to the Group on a regular basis.

iii) The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. At the end of the reporting period, 85% (2025: 37%) of the total receivables (excluding bank deposits and cash and cash equivalents) of the Group were due from the two largest debtors, one of which being Social Welfare Department.

iv) The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies, which the Group considers to represent low credit risk. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on bank balances is considered to be insignificant and therefore no loss allowance was recognised.

b) Liquidity risk

The Group has all the time being able to ensure that there are adequate funds to meet its current and expected liquidity requirements. Cash flows are closely monitored by the Executive Committee on an ongoing basis and the Group's exposure to liquidity risk is minimal.

The Group also employs projected cash flow analysis to manage liquidity risk by forecasting the amount of cash required to ensure that all liabilities due and funding requirements are met.

All the remaining contractual maturities of the Group's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group can be required to pay, at the end of the reporting period are within one year or on demand.

22. FINANCIAL AND CAPITAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (Continued)

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's cash flow interest rate risk mainly concentrates on the fluctuation of market interest rate arising from the bank deposits. The Group controls the risk through benchmark guidelines and asset allocation.

Lease liability is fixed rate instrument which exposes the Group to fair value interest rate risk and is insensitive to any change in interest rate. A change in interest rates at the end of the reporting period would not affect surplus or deficit and funds employed of the Group.

i) Interest rate risk profile

The following table, as reported to the management of the Group, details the interest rate risk profile of the Group's interest-bearing financial instruments at the end of the reporting period:

	2026		2025	
	Effective Interest rate %	HK$	**Effective Interest rate** %	HK$
Fixed rate instruments:				
Cash at banks	2.35% to 3.40%	76,827,809	1.10% to 4.10%	61,932,544
Lease liabilities	6.5%	4,871,474	6.50%	5,905,061
Variable rate instruments:				
Cash at banks	0% to 0.45%	20,100,898	0% to 0.45%	9,073,901

ii) Sensitivity analysis

At 31 March 2026, it is estimated that a general increase/decrease of 50 basis points (2025: 50 basis points) in interest rates for variable rate bank deposits, with all other variables held constant, would increase/decrease the Group's surplus for the year and decrease/increase the Group's general deficit by HK$100,504 (2025: increase/decrease the Group's surplus for the year and decrease/increase the Group's general deficit by HK$45,370). This is mainly attributable to the Group's exposure to interest rates on its variable rate bank deposits. Other components of funds employed would not change in response to the general increase/decrease in interest rates.

The sensitivity analysis above has been determined based on the exposure to interest rate risk at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. The 50 basis points (2025: 50 basis points) increase or decrease in interest rates is used when reporting interest rate risk internally to key management personnel and represents management's assessment of a reasonably possible change in interest rates. The analysis is performed on the same basis for 2025.

22. FINANCIAL AND CAPITAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (Continued)

d) Currency risk

i) Exposure to currency risk

The Group is exposed to currency risk primarily arising from investments in financial assets, receivables, payables, bank deposits and cash and cash equivalents that are denominated in a foreign currency, that is, a currency other that the functional currency of the operations to which the transactions relate. In addition, the Company has intra-group balances with the subsidiary denominated in foreign currencies which also expose the Group to foreign currency risk. The currencies giving rise to this risk are primarily United States Dollars, Renminbi and HK$. The Group currently does not have a foreign currency hedging policy as the Group believes its exposure to foreign exchange rate is not significant. However, the management monitors the Group's foreign currency exposures and will consider hedging significant foreign currency exposures should the need arise.

The following details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in HK$, translated using the spot rate at the end of the reporting period. Differences resulting from the translation of the financial statements of foreign operations to the Group's presentation currency are excluded.

	Exposure to foreign currencies (expressed in HK$)					
	2026			**2025**		
	United States Dollars HK$	**Renminbi** HK$	HK$	**United States Dollars** HK$	**Renminbi** HK$	HK$
Financial assets at fair value through profit or loss	3,577,747	12,850	–	3,057,401	70,407	–
Trade and other receivables	–	–	1,023,586	–	–	413,414
Cash and cash equivalents	20,250,039	702,784	1,510,092	12,014,001	585,483	1,531,771
Trade and other payables	–	–	(18,983)	–	–	(64,571)
Net exposure arising from recognized assets and liabilities	23,827,786	715,634	2,514,695	15,071,402	655,890	1,880,614

22. FINANCIAL AND CAPITAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (Continued)

d) Currency risk (Continued)

ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's surplus/deficit for the year (and general deficit) and other comprehensive income and expenditure account that would arise if foreign exchange rates to which the Group has significant exposure at the end of reporting period has changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the HK$ and the US$ would not be affected by any changes in movements in value of the US$ against other currencies. The increase/(decrease) in foreign exchange rates of 5% represents the sensitivity rate of management's assessments of the reasonably possible strengthening/(weakening) of the foreign currency against the functional currencies of the group entities.

	2026			2025		
	Increase/ (decrease) in foreign exchange rates	**Increase/ (decrease) in surplus for the year**	**Increase/ (decrease) in general deficit**	**Increase/ (decrease) in foreign exchange rates**	**Increase/ (decrease) in surplus for the year**	**Increase/ (decrease) in general deficit**
	%	HK$	HK$	HK$	HK$	HK$
HK$	5%	125,735	125,735	5%	94,031	94,031
	(5%)	(125,735)	(125,735)	(5%)	(94,031)	(94,031)
RMB	5%	35,782	35,782	5%	32,795	32,795
	(5%)	(35,782)	(35,782)	(5%)	(32,795)	(32,795)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the group entities surplus/deficit for the year and general deficit measured in the respective functional currencies, translated into HK$ at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's' presentation currency. The analysis is performed on the same basis for 2025.

22. FINANCIAL AND CAPITAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (Continued)

e) Other price risk

The Group is exposed to price changes arising from financial assets at FVPL which comprise mainly listed investments.

Decisions to buy or sell investments are based on daily monitoring of the performance of investments by fund managers, who submit reports on portfolio performance to the Group on a regular basis. The Group controls the risk through benchmark guidelines and asset allocation.

Most of the Group's investments are listed on the Stock Exchange of Hong Kong. Listed investments held in the investment portfolio that are not held for trading purposes have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period.

At 31 March 2026, it is estimated that 10% increase/decrease in the price of the respective equity securities, with all other variables held constant, would have increase/decrease the Group's surplus for the year and decrease/increase the Group's general deficit by approximately HK$1,506,751 (2025: increase/decrease the Group's surplus for the year and decrease/increase the Group's general deficit by approximately HK$1,344,881).

The sensitivity analysis indicates the instantaneous change in the Group's surplus/deficit for the year and other components of funds employed that would arise assuming that the changes in the stock prices had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period, and that all other variables remain constant. The analysis is performed on the same basis for the year ended 31 March 2025.

At 31 March 2026, the Group have no concentration of equity price risk on its equity investments as the Group held fourteen (2025: fourteen) listed equity investment in the investment portfolio. The Group's equity are exposed to equity price risk due to the fluctuation of prices of the listed equity securities in the relevant stock markets.

f) Fair value measurement

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable.

22. FINANCIAL AND CAPITAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENT (Continued)

f) Fair value measurement (Continued)

Fair value hierarchy (Continued)

The fund managers perform valuations for the financial instruments and report directly to the Group's Executive Committee. The fair values of the investments represent the bid prices of these investments in the respective internationally - renowned investment banks and the stock market.

		Fair value measurements as at 31 March 2026 categorised into		
	Fair value as at 31 March 2026	**Level 1**	**Level 2**	**Level 3**
	HK$	HK$	HK$	HK$
Recurring fair value measurements				
Assets:				
Financial assets at fair value through profit or loss	15,168,857	15,168,857	–	–

		Fair value measurements as at 31 March 2025 categorised into		
	Fair value as at 31 March 2025	Level 1	Level 2	Level 3
	HK$	HK$	HK$	HK$
Recurring fair value measurements				
Assets:				
Financial assets at fair value through profit or loss	14,497,687	14,497,687	–	–

During the years ended 31 March 2025 and 2026, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

g) Fair value of financial assets and liabilities carried at other than fair value

The fair values of deposits with banks, cash and cash equivalents, trade and other receivables, trade and other payables and lease liabilities are not materially different from their carrying amounts because of the immediate or short-term maturity of these financial instruments. The fair value has been determined either by reference to the market value at the end of each reporting period or by discounting the relevant cash flows using current interest rates for similar instruments.

h) Capital risk management

The Group's objective when managing capital are to safeguard the Group's ability to continue as a going concern in order to carry out its principal activities, i.e. to provide care, housing and recreational facilities for the needy elderly of Hong Kong and the PRC.

The capital structure of the Group consists of general deficit, general reserve and other reserves and designated funds. In order to maintain or adjust the capital structure, the Group may appeal for subventions from the HKSAR Government and donations from the general public and other charitable organisations.

The Group is not subject to any externally imposed capital requirements.

23. MATERIAL RELATED PARTY TRANSACTION

a) Key management personnel remuneration

All members of key management personnel are the executive committee members of the Company.

There was no transaction with key management personnel during the current and prior years.

b) The Group received sponsorship of HK$1,044,970 for the year ended 31 March 2026 (2025: HK$994,970) as endowment expenses from Helping Hand Charitable Trust, a related party which certain executive committee members of the Group are also the trustees and the key management personnel and can control the operations thereof.

24. COMMITMENTS

Capital commitments outstanding at 31 March 2026 not provided for in the financial statements were as follows:

	2026 HK$	**2025** HK$
Contracted for		
Acquisition of property, plant and equipment	48,850	20,699
Construction of elderly care home	–	–
	48,850	20,699

25. ACCOUNTING ESTIMATES AND JUDGMENTS

Key sources of estimation uncertainties

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Impairment of non-financial assets

Determining whether there is an impairment requires an estimation of recoverable amounts of the non-financial assets or the respective cash-generating unit in which the non-financial assets belong, which is the higher of value in use and fair value less costs of disposal. If there is any indication that an asset may be impaired, recoverable amount shall be estimated for individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the cash-generating unit to which the asset belongs. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the assets or cash-generating units and a suitable discount rate in order to calculate the present value. The discount rate represents a rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. Where the actual future cash flows or the revision of estimated future cash flows are less than original estimated future cash flow, a material impairment loss may arise.

b) Impairment of financial assets

The loss allowance for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

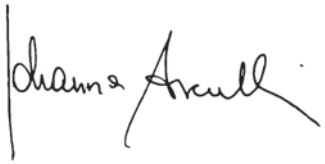
c) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual values. The Executive Committee reviews the estimated useful lives and the residual values of the assets regularly in order to determine the amount of depreciation charge for the year. The estimate is based on the historical experience of the actual useful lives and residual values of assets of similar nature and functions and taking into account anticipated technological changes. The depreciation charge for future periods are adjusted if there are significant changes from previous estimates.

26. COMPANY LEVEL STATEMENT OF FINANCIAL POSITION

	Note	2026 HK$	2025 HK$
Non-current assets			
Property, plant and equipment		104,538,063	125,273,900
Financial assets at fair value through profit or loss		15,168,857	14,497,687
Interests in a subsidiary		44,598,241	44,278,242
		164,305,161	184,049,829
Current assets			
Inventories		164,910	117,294
Trade and other receivables		7,607,975	4,975,645
Deposits with banks (maturity over 3 months)		21,099,428	34,756,800
Cash and cash equivalents		70,936,667	44,116,228
		99,808,980	83,965,967
Current liabilities			
Trade and other payables		14,579,085	14,528,523
Lease liabilities		2,793,806	1,887,519
Deferred income		19,481,972	31,558,820
		36,854,863	47,974,862
Net current assets		62,954,117	35,991,105
Total assets less current liabilities		227,259,278	220,040,934
Non-current liabilities			
Long service payment obligation		1,119,881	989,839
Lease liabilities		2,077,668	4,017,542
Deferred income		10,590,178	11,084,534
		13,787,727	16,091,915
Net assets		213,471,551	203,949,019
Funds employed			
General reserve		1,476,572	1,476,572
Christa Tisdall Fund	16	13,239	13,239
The Hong Kong Jockey Club Charities Trust	17	108,488,466	100,041,388
Holiday Centre project:			
Gold Coin Fund	18	77,636,711	77,636,711
SWD Reserve Fund	19	2,091,898	2,091,898
Others		1,316,280	1,316,280
SWD Lotteries Fund	20	95,339,874	87,042,494
General deficit		(72,891,489	(65,669,563
Total Funds employed		213,471,551	203,949,019

Approved and authorised for issue by the executive committee on 3 September 2026.



Mrs Johanna Arculli
Chairperson, Executive Committee



Mr. Frank Yee-chon Lyn
Hon Treasurer, Executive Committee

26. COMPANY LEVEL STATEMENT OF FINANCIAL POSITION (Continued)

Note: Details of the changes in the Company's individual components of funds employed between the beginning and the end of the year are set out below:

	General Reserve HK$	**Christa Tisdall Fund** HK$	**The Hong Kong Jockey Club Charities Trust** HK$
At 1 April 2024	1,476,572	13,239	91,773,695
Total comprehensive income for the year	–	–	–
Transfer	–	–	8,267,693
At 31 March 2025 and 1 April 2025	1,476,572	13,239	100,041,388
Total comprehensive income for the year	–	–	–
Release to statement of surplus or deficits	–	–	(1,233,953)
Transfer	–	–	9,681,031
At 31 March 2026	1,476,572	13,239	108,488,466

Holiday Centre Project					
Gold Coin Fund HK$	**SWD Reserve Fund** HK$	**Others** HK$	**SWD Lotteries Fund** HK$	**General Deficit** HK$	**Total** HK$
77,636,711	2,091,898	1,316,280	78,939,796	(59,811,288)	193,436,903
–	–	–	–	10,512,116	10,512,116
–	–	–	8,102,698	(16,370,391)	–
77,636,711	2,091,898	1,316,280	87,042,494	(65,669,563)	203,949,019
–	–	–	–	10,756,485	10,756,485
–	–	–	–	–	(1,233,953)
–	–	–	8,297,380	(17,978,411)	–
77,636,711	2,091,898	1,316,280	95,339,874	(72,891,489)	213,471,551

For the purpose of Section 436 of the Hong Kong Companies Ordinance, the financial information contained in the attached detailed income statement does not constitute the Company's audited financial statements that has been or to be laid in the Company's annual general meeting or sent to members in the absence of an annual general meeting. The Company has not delivered the audited financial statements for the years ended 31 March 2026 and 2025 to the Registrar of Companies as it is not required to. The Company's auditor has reported on the audited financial statements for the years ended 31 March 2026 and 2025. The auditor's reports were not qualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the reports; and did not contain a statement under either sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

APPENDIX I
(For management purposes only | Page 1 of 4)

DETAILED OPERATING INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2026

	Lok Fu HK$	**Lai Yiu** HK$	**FSB** HK$
Capital income			
SWD – Block Grant	442,264	477,271	376,002
Community Chest Capital Project	–	–	–
Others	210,347	150,050	209,070
Total capital income	652,611	627,321	585,072
Recurrent income			
Community Chest Allocation			
– Homes	362,947	361,963	954,280
– O.T. & P.T. unit	115,715	115,715	249,924
Donation for running costs	511,392	473,749	1,149,010
Interest income	–	–	–
Lump Sum Grant	17,356,495	15,169,484	38,967,727
Meal income	1,386,539	1,515,283	4,218,907
Meal income from staff	54,443	130,251	259,086
Rental income	299,571	327,387	911,523
Sundry income	848,202	613,459	2,438,410
SWD subvention for homes	–	981,095	8,731,741
SWD others	–	39,400	–
Total recurrent income	20,935,304	19,727,786	57,880,608
Running costs			
Audit fee	–	–	–
Advertising	882	7,306	6,369
Bank charges	3,080	3,715	7,621
Cleaning	95,034	48,063	322,609
Cost of goods sold	720,001	687,919	1,772,460
Depreciation			
– owned property, plant and equipment	649,717	479,482	648,703
– right use asset	994,115	1,009,775	504,157
Food	1,040,900	1,139,498	3,322,133
– Subsidised by Helping Hand – Activities	36,597	27,059	123,196
– Subsidised by outsiders	94,750	113,149	65,696
Fixed assets written off	798	3,531	–
Gas	185,691	179,882	429,441
General expenses	91,596	12,382	80,804
Government charge	–	–	–
Insurance	215,874	179,486	424,531
Life insurance	4,103	3,061	3,583
Lucky money	6,700	7,600	41,000

Chuk Yuen HK$	Po Lam HK$	Siu Sai Wan HK$	Zhaoqing HK$	2026 HK$	2025 HK$
–	–	–	–	1,295,537	880,566
–	219,664	125,580	–	345,244	688,070
135,994	916,490	16,489	1,687,628	3,326,068	2,215,728
135,994	1,136,154	142,069	1,687,628	4,966,849	3,784,364
291,017	291,017	291,016	–	2,552,240	2,195,250
148,092	148,092	148,112	–	925,650	925,650
662,075	543,002	309,734	–	3,648,962	3,489,179
–	–	–	15,437	15,437	21,895
–	–	–	–	71,493,706	72,371,102
–	–	–	–	7,120,729	7,100,401
–	–	–	–	443,780	490,295
3,772,745	3,294,695	1,809,635	8,188,866	18,604,422	18,058,314
32,475	19,632	18,090	1,763,826	5,734,094	5,028,606
–	–	–	–	9,712,836	8,149,715
–	–	–	–	39,400	–
4,906,404	4,296,438	2,576,587	9,968,129	120,291,256	117,830,407
–	–	–	27,727	27,727	125,364
1,737	3,025	–	12,758	32,077	40,159
2,679	2,335	1,965	396	21,791	23,250
8,635	12,108	3,744	84,996	575,189	435,812
–	–	–	–	3,180,380	3,140,997
218,521	311,540	308,962	2,295,510	4,912,435	5,070,579
–	–	–	–	2,508,047	2,076,835
211,291	24,686	18,085	821,237	6,577,830	5,801,365
72,836	28,563	38,196	28,239	354,686	430,793
184,966	338,072	131,232	–	927,865	838,888
–	–	–	–	4,329	284,569
16,225	15,319	8,305	–	834,863	800,441
33,306	23,253	3,729	240,333	485,403	326,064
–	–	–	72,811	72,811	50,546
34,628	37,062	18,962	29,109	939,652	1,005,689
50	50	144	–	10,991	12,280
12,200	11,300	5,900	–	84,700	64,400

APPENDIX I
(For management purposes only | Page 3 of 4)

Detailed Operating Income and Expenditure Account

For the year ended 31 March 2026

	Lok Fu HK$	Lai Yiu HK$	FSB HK$
Running costs (Continued)			
Medical expenses	523,036	535,397	1,164,328
Newspaper & magazine	9,144	12,960	17,310
O.T. & P.T. unit expenditure	118,619	118,619	256,218
Other tax	–	–	–
Postage	286	863	129
Printing & stationery	44,536	58,301	58,111
Provident fund	778,913	769,683	1,409,163
Provision/(reversal of provision) for long service payment	(58,850)	49,028	628,265
Reversal of provision for untaken annual leave	–	–	–
Rent & rates	178,249	110,550	364,300
Repair & maintenance	337,816	489,317	1,104,988
Salaries	17,160,246	17,193,637	41,329,769
Souvenir	9,749	1,165	18,955
Staff training	25,041	23,207	73,028
Staff welfare	25,230	28,778	71,819
Sundry expenses	–	–	–
Telephone and cable	21,816	19,220	28,527
Training	–	–	–
Transportation expenses	52,212	78,351	118,152
Uniforms	15,033	28,287	64,381
Utensil	12,870	8,506	16,447
Water and electricity	466,271	564,134	1,667,949
Total recurrent expenditure	23,860,055	23,991,911	56,144,142
Operating deficit	(2,924,751)	(4,264,124)	1,736,466
Finance cost			
Interest on lease liabilities	(145,060)	(144,070)	(34,453)
Net operating deficit	(2,417,200)	(3,780,873)	2,287,085

Detailed Operating Income and Expenditure Account

For the year ended 31 March 2026

Chuk Yuen HK$	Po Lam HK$	Siu Sai Wan HK$	Zhaoqing HK$	2026 HK$	2025 HK$
31,284	22,622	16,811	643,289	2,936,767	1,965,497
8,310	8,372	7,944	–	64,040	63,476
151,833	151,833	151,833	–	948,955	951,150
–	–	–	2,573	2,573	2,598
67	343	539	–	2,227	2,808
29,550	22,156	14,993	20,179	247,826	162,100
138,983	99,038	103,333	829,627	4,128,740	4,431,266
(72,814)	17,159	(48,554)	–	514,234	(84,903)
–	–	–	–	–	(243,733)
1,767,916	1,373,692	906,196	–	4,700,903	4,529,174
101,130	101,063	64,741	159,982	2,359,037	2,312,401
2,653,541	2,175,731	2,243,221	5,328,507	88,084,652	91,486,960
–	–	210	–	30,079	85,801
3,046	3,046	4,656	12,436	144,460	124,277
6,264	5,455	10,187	42,002	189,735	59,846
–	–	–	264,325	264,325	259,173
62,821	56,476	48,522	56,472	293,854	313,915
–	–	–	–	–	4,897
8,864	3,454	4,347	186,804	452,184	460,441
3,185	3,739	1,829	13,746	130,200	83,369
1,210	–	–	–	39,033	35,190
73,726	64,030	42,126	619,436	3,497,672	3,623,010
5,765,990	4,915,522	4,112,158	11,792,494	130,582,272	131,156,744
(859,586)	(619,084)	(1,535,571)	(1,824,365)	(10,291,016)	(13,326,337)
–	–	–	–	(323,583)	(74,828)
(723,592)	517,070	(1,393,502)	(136,737)	(5,647,750)	(9,616,801)

APPENDIX II
(For management purposes only)

DETAILED ADMINISTRATIVE INCOME AND EXPENDITURE

For the year ended 31 March 2026

	Note	2026 HK$	2025 HK$
Income			
Community Chest allocation	21(a)	449,000	449,000
Fair value gain on financial assets at fair value through profit or loss		944,203	3,082,911
General donations	21(b)	1,766,966	2,339,109
Donation for running cost	21(b)	348,714	526,654
Donation for capital costs	21(b)	16,755,609	16,383,595
Interest income		1,727,524	2,179,175
Lump sum grant		7,268,867	7,416,690
Membership fee and sponsoring membership		24,778	15,161
Sundry income		26,317	62,901
Exchange gain		141,384	15,459
SWD – Others		495,000	165,000
Total administrative income		29,948,362	32,635,655
Expenditure			
Advertising	21(a)	7,427	1,958
Audit fee		340,457	552,345
Bank charges		37,162	38,313
Cleaning	21(b)	20,149	15,659
Depreciation	21(b)	22,396,236	21,642,016
Gas	21(b)	1,160	560
General expenses		97,933	21,180
Insurance		235,746	177,438
Life insurance		961	1,187
Medical expenses		344	2,140
Membership fee		8,435	8,935
Motor vehicle expenses		40,971	3,852
Postage		4,584	6,672
Printing and stationery		85,904	78,302
Provident fund		285,786	354,714
Provision/(reversal of provision) for long service payment		78,978	(9,480)
Reversal of provision for untaken annual leave		–	(43,614)
Publication		54,570	27,800
Rent and rates		15,500	12,200
Repairs and maintenance		68,107	94,089
Salaries		7,572,257	7,894,879
Souvenir		36,849	18,296
Staff welfare		23,209	32,280
Telephone and cable		33,360	32,788
Training		525,866	236,744
Transportation expenses		7,593	12,635
Uniforms		1,350	–
Water and electricity		65,060	66,399
		(32,045,954)	(31,280,287)
Net administrative (deficit)/surplus		(2,097,593)	1,355,368

APPENDIX III

(For management purposes only)

COOKIE CAMPAIGN – INCOME AND EXPENDITURE

For the year ended 31 March 2026

	2026 HK$	2025 HK$
INCOME (NOTE)	2,476,424	2,771,905
EXPENDITURE	(835,761)	(1,024,361)
SURPLUS FROM "COOKIE CAMPAIGN"	1,640,663	1,747,544

Note:

(1) Included in the income of the Cookie Campaign for the year ended 31 March 2026, there is HK$1,595,270 (2025: HK$2,097,212) being donations and sponsorship income.

(2) The net proceeds from Cookie Campaign approved in the "Public Subscription Permit No. 2025/069/1" during the period from 15 May 2025 to 1 June 2025 is HK$46,303 with the income of HK$61,574 net off the expenditure of HK$15,271. The usage of funds is to support our operation costs and organise activities for the elderly of our residents.

(3) The net proceeds from Cookie Campaign approved in the "Public Subscription Permit No. 2025/169/1" during the period from 17 December 2025 to 19 December 2025 is HK$25,061 with the income of HK$37,115 net off the expenditure of HK$12,054. The usage of funds is to support our operational expenses and to organise engaging activities for our elderly residents.

APPENDIX IV
(For management purposes only)

OTHER FUND RAISING EVENTS – INCOME AND EXPENDITURE

For the year ended 31 March 2026

	2026 HK$	2025 HK$
INCOME (NOTE)	513,866	1,380,739
EXPENDITURE	(322,961)	(397,103)
SURPLUS FROM OTHER FUND RAISING EVENTS	190,905	983,636

Note:

(1) Included in the income of other fund raising events for the year ended 31 March 2026, there is HK$406,026 (2025: HK$1,310,807) being donations and sponsorship income.

INCOME AND EXPENDITURE ACCOUNT FOR HOLIDAY CENTRE

For the year ended 31 March 2026

	Note	2026 HK$	2025 HK$
INCOME			
Lump Sum Grant		17,542,521	17,827,799
LSG - Central item		2,732,046	6,058,793
Camp fees received		636,649	504,789
Programme income		72,856	21,371
Donations	21(b)	65,375	301,012
Donation for capital costs	21(b)	137,950	5,940
SWD - Block Grants		127,600	202,300
Other income			
– Subvented		18,988,007	20,490,346
– Unrecognised		79,506	55,446
		40,382,510	45,467,796
COST OF SALES			
Opening inventories		11,136	5,439
Purchases		–	5,697
Closing inventories		(11,136)	(11,136)
		–	–
EXPENDITURE			
Advertising		3,916	2,352
Audit fee		62,213	65,450
Central item		2,732,046	5,497,071
Cleaning		235,816	89,463
Food		3,144,715	3,356,524
Gas		307,036	340,336
General expenses		19,624	708,583
Insurance		222,453	200,243
Laundry		–	5,765
Medical expenses		14,480	44,782
Motor vehicle expenses		426,516	351,369
Postage		722	546

APPENDIX V
(For management purposes only | Page 2 of 2)

Income and Expenditure Account for Holiday Centre

For the year ended 31 March 2026

	Note	2026 HK$	2025 HK$
EXPENDITURE (Continued)			
Printing and stationery		42,482	24,443
Programme expenses		108,747	25,048
Provident fund		568,437	553,402
Provision for long service payment		348,631	16,681
Reversal of provision for untaken annual leave		(13,050)	(22,589)
Government rent and rates		457,907	301,400
Repairs and maintenance		960,209	1,750,728
Salaries		13,209,249	12,595,146
Staff uniform		8,452	28,629
Telephone and cable		31,374	34,120
Travelling expenses		513	17,524
Unrecognised expenses (Note)		588,907	437,696
Water and electricity		1,633,924	1,535,193
		(25,115,319)	(27,959,905)
NET SURPLUS	5	15,267,191	17,507,891

Note: The depreciation charge of HK$536,071 (2025: HK$345,079) is included in unrecognised expenses in the income and expenditure account for Holiday Centre