

**THE EDUCATION FOUNDATION OF THE FEDERATION
OF THE ALUMNI ASSOCIATIONS OF
THE CHINESE UNIVERSITY OF HONG KONG LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

THE EDUCATION FOUNDATION OF THE FEDERATION OF THE ALUMNI ASSOCIATIONS OF THE CHINESE UNIVERSITY OF HONG KONG LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of The Education Foundation of The Federation of The Alumni Associations of The Chinese University of Hong Kong Limited ("the Foundation") for the year ended 30 September 2019.

Principal place of business and principal activities

The Foundation is a company incorporated in Hong Kong and limited by guarantee. Its registered office and principal place of operation are situated at Office of Alumni Affairs, 3/F., John Fulton Centre, The Chinese University of Hong Kong, Shatin, New Territories, Hong Kong.

The principal activities of the Foundation during the year are managing non-profit-making schools and promoting education development.

Results and appropriations

The results of the Foundation for the year are set out in the financial statements on pages 4 to 6.

In accordance with clause 5th(a) of the Memorandum of Association of the Foundation, no portion of the income and property of the Foundation shall be paid or transferred directly or indirectly, by way of dividend, bonus, or otherwise howsoever, to the members of the Foundation.

Directors

The directors during the year and up to the date of this report were as follows:

Chan King Cheung	
Chan Pik Kiu Michael	
Cheung Fuk Ying	
Cheung Yuet Wah	
Fung Shuk Ching	(Appointed on 21 September 2019)
Ho Man Sum	
Hui Yuk Lun	(Appointed on 1 September 2019)
Kwan Choi Wah	
Lai Suk Tak	
Lam Cho Wing	
Lam Hiu Fung	
Lam Kwan Yat	(Resigned on 17 December 2018)
Lau Sai Yung	
Lee Kam Chung	
Lee Siu Hok William	
Leung Kwong Lam	
Leung Seung Ming	
Li Kai Ming	
Liu Kam Hong	
Lo Pik Yu	
Ng Lai Han Cinnie	
Ng Yuen Hing	
Ngan Lung	(Resigned on 1 September 2019)
Tam Tin Lok Timothy	
Tao Chee Ying Theresa	(Appointed on 17 December 2018)
Wong Heung Sang Stephen	
Wong Ho Chiu	
Wong Sai Chiu	
Wong Ting Yuen	

**THE EDUCATION FOUNDATION OF THE FEDERATION OF THE ALUMNI ASSOCIATIONS
OF THE CHINESE UNIVERSITY OF HONG KONG LIMITED**

REPORT OF THE DIRECTORS

Directors (Continued)

Yan Hau Yee Lina
Yau Ying Sum
Yeung Choi Ha Eliza

In accordance with Article 29 of the Foundation's Articles of Association, all the existing directors shall remain in office at the forthcoming annual general meeting.

Permitted indemnity provisions

At no time during the year and up to the date of this report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Foundation (whether made by the Foundation or otherwise).

Honorary auditor

On 30 March 2020, Messrs. Graham H. Y. Chan & Co. has been appointed as the honorary auditor of the Foundation in place of the retiring auditors, Messrs. Wong Brothers & Co. The financial statements have been audited by Messrs. Graham H. Y. Chan & Co. who retire and, being eligible, offer themselves for re-appointment.

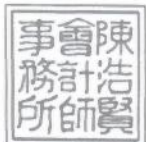
Business review

The Foundation falls within the reporting exemption set out in the Hong Kong Companies Ordinance for the year ended 30 September 2019. Accordingly, the Foundation is exempted from preparing a business review.

On behalf of the Board



Yan Hau Yee Lina
Chairman
Hong Kong, 8 June 2020



GRAHAM H. Y. CHAN & CO.

CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)
HONG KONG

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

THE EDUCATION FOUNDATION OF THE FEDERATION OF THE ALUMNI ASSOCIATIONS OF THE CHINESE UNIVERSITY OF HONG KONG LIMITED

(Incorporated in Hong Kong with liability limited by guarantee and not having a share capital)

Opinion

We have audited the financial statements of The Education Foundation of the Federation of the Alumni Associations of The Chinese University of Hong Kong Limited (the "Foundation") set out on pages 4 to 16, which comprise the statement of financial position as at 30 September 2019, and the statement of comprehensive income, statement of changes in funds and reserve and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Foundation as at 30 September 2019, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") 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 of 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 Financial Statements* section of our report. We are independent of the Foundation 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the report of the directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE EDUCATION FOUNDATION OF THE FEDERATION OF THE ALUMNI ASSOCIATIONS
OF THE CHINESE UNIVERSITY OF HONG KONG LIMITED**
(Incorporated in Hong Kong with liability limited by guarantee and not having a share capital)

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 HKSAAs 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 HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF**

**THE EDUCATION FOUNDATION OF THE FEDERATION OF THE ALUMNI ASSOCIATIONS
OF THE CHINESE UNIVERSITY OF HONG KONG LIMITED**

(Incorporated in Hong Kong with liability limited by guarantee and not having a share capital)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Graham H. Y. Chan & Co.

Honorary Auditor

Certified Public Accountants (Practising)

Rooms 3719-26, 37/F.,

Sun Hung Kai Centre,

30 Harbour Road, Wanchai,

Hong Kong.

8 June 2020

**THE EDUCATION FOUNDATION OF THE FEDERATION OF THE ALUMNI ASSOCIATIONS
OF THE CHINESE UNIVERSITY OF HONG KONG LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME - CHINA EDUCATION DEVELOPMENT FUND
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	2019 HK\$	2018 HK\$
Income		
Donation received	518,406	1,656,616
Dividend income	2,367	1,833
Interest income	23,810	60
Other income	1,960	2,670
	<hr/>	<hr/>
Total income	546,543	1,661,179
	<hr/>	<hr/>
Expenditure on schools and education development	(881,394)	(745,715)
	<hr/>	<hr/>
Administrative expenditure		
Bank charges	1,380	930
Depreciation	1,179	1,178
Loss on foreign exchange	44,866	12,828
Postage	657	1,142
Printing and stationery	1,585	1,038
Sundry expenses	1,247	5,778
Telephone and fax	4,435	4,333
Travelling expenses	2,303	1,164
Utilities	4,779	5,033
	<hr/>	<hr/>
	(62,431)	(33,424)
	<hr/>	<hr/>
Total expenditure	(943,825)	(779,139)
	<hr/>	<hr/>
Fair value loss on investment in securities	(5,612)	(3,373)
	<hr/>	<hr/>
(Deficit)/surplus for the year and total comprehensive (loss)/income for the year	<u>(402,894)</u>	<u>878,667</u>

THE EDUCATION FOUNDATION OF THE FEDERATION OF THE ALUMNI ASSOCIATIONS OF THE CHINESE UNIVERSITY OF HONG KONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 General information

The Education Foundation of the Federation of the Alumni Associations of The Chinese University of Hong Kong Limited (the "Foundation") is a company incorporated and domiciled in Hong Kong with limited liability by guarantee of the members of the Foundation. The address of the Foundation's registered office and principal place of operation is Alumni Affairs Office, 3/F., John Fulton Centre, The Chinese University of Hong Kong, Shatin, New Territories, Hong Kong.

The principal activities of the Foundation are managing non-profit-making schools and promoting education development.

The financial statements are presented in Hong Kong dollar ("HK\$"), which is the Foundation's functional and presentation currency.

Under the provisions of the Foundation's Articles of Association, every member shall, in the event of the Foundation being wound up, contribute to the assets of the Foundation to the extent of HK\$20.

2 Significant accounting policies

This is the first set of financial statements prepared by the Foundation in accordance with the Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The Foundation qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622). These financial statements have been prepared in accordance with HKFRS for Private Entities issued by the HKICPA and the requirements of the Hong Kong Companies Ordinance. The measurement base adopted is the historical cost convention, as modified by the investment in securities which are stated at their fair values as explained in the accounting policies set out in note.2(e).

The preparation of financial statements in conformity with the HKFRS for Private Entities requires the use of certain key accounting estimates. It also requires management to exercise its judgement in the process of applying the Foundation's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in note 11.

The Foundation applied Hong Kong Financial Reporting Standards ("HKFRS") to prepare its financial statements in previous years. Upon adoption of HKFRS for Private Entities, there are the following changes in the accounting policies of the Foundation:

Reclassification of available-for-sale financial assets and financial assets at fair value through profit or loss to investment in securities

Under HKFRS, the Foundation classified its investment in listed equity securities as available-for-sale financial assets and financial assets at fair value through profit or loss. Available-for-sale financial assets are measured at fair value with gains or losses arising from fair value changes recognised directly in funds and reserve. Financial assets at fair value through profit or loss are measured at fair value with gains or losses arising from fair value changes recognised in surplus or deficit.

**THE EDUCATION FOUNDATION OF THE FEDERATION OF THE ALUMNI ASSOCIATIONS
OF THE CHINESE UNIVERSITY OF HONG KONG LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

2 Significant accounting policies (continued)

(a) Basis of preparation (continued)

Reclassification of available-for-sale financial assets and financial assets at fair value through profit or loss to investment in securities (continued)

On adoption of HKFRS for Private Entities, all available-for-sale financial assets and financial assets at fair value through profit or loss are reclassified to investment in securities, which are measured at fair value with changes in fair value recognised in surplus or deficit. The effects on such change in accounting policy are disclosed in note 12.

In addition, there are the following changes to the Foundation's disclosures in the financial statements as a result of the application of the HKFRS for Private Entities:

i. Disclosure of the financial risk management

The HKFRS for Private Entities does not require the Foundation to disclose the financial risk management of the Foundation. The Foundation disclosed the financial risk management of the Foundation under HKFRS in previous years.

ii. Disclosure of fair value measurement hierarchy

The HKFRS for Private Entities does not require the Foundation to disclose the fair value measurement hierarchy of the investment in securities. The Foundation disclosed the fair value measurement hierarchy of its available-for-sale financial assets and financial assets at fair value through profit or loss under HKFRS in previous years.

(b) Revenue recognition

Donation income is recognized on the date of receipt.

Interest income is recognized using the effective interest method.

Dividend income from investment in securities is recognized when the Foundation's right to receive payment has been established.

(c) Foreign currency translation

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

Foreign currency transactions are translated into Hong Kong dollars using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in surplus or deficit.

**THE EDUCATION FOUNDATION OF THE FEDERATION OF THE ALUMNI ASSOCIATIONS
OF THE CHINESE UNIVERSITY OF HONG KONG LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

2 Significant accounting policies (continued)

(d) Property, plant and equipment

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on property, plant and equipment is calculated using the straight-line method to write off their cost, less their estimated residual value, if any, over their estimated useful lives at the following annual rate:

Computer equipment	25%
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An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. The gain or loss on disposal or retirement of an asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in surplus or deficit.

(e) Investments in securities

Investments in listed shares are initially stated at the transaction price and are subsequently measured at fair value with changes in fair value recognised in surplus or deficit.

(f) Accounts and other receivables

Accounts and other receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of accounts and other receivables is established when there is objective evidence that the Foundation will not be able to collect all amounts due according to the original terms of the receivables.

(g) Cash and cash equivalents

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

(h) Accounts and other payables

Accounts and other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

(i) Employee benefits

Salaries, paid annual leave, contributions to Mandatory Provident Fund, contract gratuity and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

**THE EDUCATION FOUNDATION OF THE FEDERATION OF THE ALUMNI ASSOCIATIONS
OF THE CHINESE UNIVERSITY OF HONG KONG LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

2 Significant accounting policies (continued)

(j) Related parties

A party is considered to be related to the Foundation if:

- (a) A person or a close member of that person's family is related to the Foundation if that person:
 - (i) is a member of the key management personnel of the Foundation;
 - (ii) has control or joint control over the Foundation; or
 - (iii) has significant influence over the Foundation.
- (b) An entity is related to the Foundation if any of the following conditions applies:
 - (i) the entity and the Foundation 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 entities are joint ventures of the same third entity.
 - (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 Foundation or an entity related to the Foundation.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Foundation.
 - (viii) a person identified in (a)(ii) 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).

3 Directors' remuneration

During the year, none of the directors received or will receive any fees or emoluments in respect of their services rendered to the Foundation (2018: Nil).

4 Taxation

No provision for taxation is made in the financial statements as the Foundation is qualified for exemption from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance (2018: Nil).