



Children's Cancer Foundation
兒童癌病基金

31 October 2025

Report of the governors

The governors have pleasure in submitting herewith their annual report together with the audited financial statements for the year ended 31 October 2025.

Principal place of business

Children's Cancer Foundation (the "Foundation") is a charitable institution incorporated and domiciled in Hong Kong and has its registered office and principal place of business at Room 702, Tung Ning Building, 125 Connaught Road Central, Hong Kong.

Principal activities

The Foundation is a charitable institution limited by guarantee. Tax is exempted under Section 88 of the Inland Revenue Ordinance. The principal activities of the Foundation during the financial year were to look after the physical, psychological and social well-being of the young patients suffering from childhood cancer and other serious illnesses and their families. The Foundation also helped doctors to improve the survival rate of children with cancer the sponsorship of drugs, clinical/diagnostic tests, research and the purchase of equipment for the use in the public hospitals in Hong Kong.

Business review

Review of the Foundation's business during the year

Nature of business

The Foundation provides comprehensive clinical and professional psychosocial services as well as financial and social support for young patients and their families, which include child life (accreditation by Association of Child Life Professionals in the USA), family counselling, integrated education and learning enhancement, survivor potential development and palliative care. Flats were also rented from the Hong Kong Housing Authority to use as half-way homes for patients undergoing active treatment when their home is considered not suitable for convalescing.

External environment impacting the business

Hong Kong's local charity sector is shaped by a complex external environment where economic uncertainties, such as inflation and global financial instability, can reduce donations and corporate sponsorships. At the same time, technological advancements, particularly the rise of AI, are opening new avenues for charities to innovate, expand services, and build strategic partnerships, though they also require investment and digital readiness. Together, these factors present both challenges and opportunities, pushing diversified funding, local ties, and embraced technology to remain resilient and impactful.

Business review (continued)

Performance and financial position

During the year under review, the surplus of the Foundation for the year was HK\$11,482,712 (2024: HK\$18,646,715) and the net assets of the Foundation were HK\$127,521,842 as at 31 October 2025 (2024: HK\$116,039,130).

The performance are also evaluated by other financial key performance indicators:

1. Total income for the year stayed flat at HK\$61,887,032 (2024: HK\$61,131,089);
2. Number of beneficiaries/attendances receiving interventions/services increased 15% to 64,885 (2024: 56,381);
3. Grants to new or on-going research/diagnostic test projects stayed flat at 10 (2024:12), of which the corresponding grants decreased 4% from HK\$25,364,712 to HK\$24,327,827.

Environmental policies and performance and compliance with the relevant laws and regulations

The Foundation supports environmental policies, promote green working environment and efficient use of resources. Maintaining statutory compliance is also an integral part of the Foundation's operations. We consistently adhere to all laws and regulations that are relevant to the Foundation.

Key relationships with its stakeholders

The Foundation has built and maintained good relationships with its employees, clients, volunteers, donors and supporters.

Principal risks and uncertainties

The principal risks and uncertainties that the Foundation faces can be broadly grouped as – business risk, competition risk and financial risks.

Business risk

The performance and operations of the Foundation rely heavily on the donations and sponsorships. With uncertainty in Hong Kong's economic environment and shifting stakeholder priorities, securing consistent public support remains a challenge. While maintaining relevance to existing donors, the Foundation would need to maximise outreach to new supporters and collaborators, proactively leverage emerging technologies and evolving social trends to strengthen engagement and ensure long-term sustainability.

Business review (continued)

Competition risk

The Foundation faced increasing competition risk in both fundraising and public awareness, as growing number of charities for children and other conditions have fragmented donor pools and saturated the public with competing appeals. This environment not only intensified the challenge of securing dwindling donations but also demanded greater effort to strengthen the visibility of the Foundation's unique role in providing holistic care, specialised child life services, and palliative care to families with children battling severe illnesses.

Financial risks

The Foundation's funding comes from grant, donation and investment activities as guided by the relevant policy. The exposure to credit, liquidity, interest rate and foreign currency risks arises and the financial risk management policies and practices used by the Foundation to manage these risks are set out in note 19 to the financial statements.

Particulars of important events since the end of the financial year

To advocate for better healthcare policies and raise public awareness about childhood illnesses, a pilot project to develop a health education centre, namely Wong Shing Yim Applied Health Education Centre, housed in the Foundation's newly renovated Community Service Centre in Wong Tai Sin, has been operated in late 2025. Through public education, promotion and awareness campaigns, the Foundation aims to gather more people to join hands to ignite hope for sick children.

Business review (continued)

Likely future development

In order to provide a secure and sustainable source of income to support young patients and their families, the Foundation will continue its ground work to set up an endowment fund. We hope that the annual investment income generated not only catches up with inflations, but also allow us to help more patients in need.

With the vision to extend the support to families of children with serious illnesses beyond cancer, addressing a wider range of healthcare needs, the Foundation continues our commitment to supporting childhood cancer survivors and advancing palliative care for children with life-limiting conditions, while also enhancing its Child Life service. Through a pilot partnership with hospital, we are extending Child Life support to children requiring medical procedures across a range of illnesses. This initiative also prioritises capacity building for healthcare professionals. Drawing on our expertise, we aim to establish a comprehensive, age-appropriate service model that helps young patients cope with medical procedures and enriches the overall healthcare experience for both patients and their families.

Governors

The governors during the year and up to the date of this report were:

Cheung Tsu-wang, Benson	
Hui Yick-chi	(resigned on December 4, 2024)
Lam Chee-yau	(resigned on July 25, 2025 and appointed on July 28, 2025)
Leung Wai-pui	
Li Chi-kong	(appointed on December 4, 2024)
Luk Che-chung	(appointed on May 19, 2025)
Yu Hon Choi, Edward	(deceased on May 19, 2025)

The three-year term of office for governors under article 29 of the new articles of association of the Foundation applies to governors elected or re-elected from the date of adoption of the new articles of association on 14 October 2013. In accordance with article 29, none of the governors will retire from the Board at the upcoming annual general meeting.

At no time during the year was the Foundation a party to any arrangement to enable the governors of the Foundation to acquire benefits by means of the acquisition of shares in or debentures of anybody corporate.

Indemnity of governors

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the governors of the Foundation is currently in force throughout this year.

Governors' interests in transactions, arrangements or contracts

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

Auditors

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Foundation is to be proposed at the forthcoming Annual General Meeting.

By order of the board



Cheung Tsu-wang, Benson

Governor

Hong Kong,

30 JUN 2026

Independent auditor's report to the members of Children's Cancer Foundation

(incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Children's Cancer Foundation ("the Foundation") set out on pages 9 to 33, which comprise the statement of financial position as at 31 October 2025, the statement of income and expenditure and other comprehensive income, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Foundation as at 31 October 2025 and of its financial performance and its cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("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") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 governors are responsible for the other information. The other information comprises all the information included in the annual report, other than 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 Children's Cancer Foundation (continued)

(incorporated in Hong Kong and limited by guarantee)

Responsibilities of the governors for the financial statements

The governors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the governors 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 governors 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 governors either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

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 judgement and maintain professional scepticism 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 Children's Cancer Foundation (continued)

(incorporated in Hong Kong and limited by guarantee)

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 governors.
- Conclude on the appropriateness of the governors' 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 the governors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is LAM, Leong Wai (practising certificate number: P07793).



Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

30 JUN 2026

Statement of financial position at 31 October 2025

(Expressed in Hong Kong dollars)

	Note	2025	2024
Non-current asset			
Property, plant and equipment	2	\$ 4,344,532	\$ 1,464,932
Current assets			
Sponsorship receivable	3	\$ 6,136,603	\$ 4,697,480
Bank interest receivable	3	543,731	1,188,891
Other debtors, deposits and prepayments	3	2,924,535	750,314
Cash and deposits with banks	4	120,481,089	113,694,388
		<u>\$ 130,085,958</u>	<u>\$ 120,331,073</u>
Current liabilities			
Other payables and accruals		\$ 1,634,303	\$ 1,270,158
Deferred income	5	3,755,300	3,755,300
Lease liabilities	7	757,377	538,153
		<u>\$ 6,146,980</u>	<u>\$ 5,563,611</u>
Net current assets		<u>\$ 123,938,978</u>	<u>\$ 114,767,462</u>
Total assets less current liabilities		<u>\$ 128,283,510</u>	<u>\$ 116,232,394</u>
Non-current liabilities			
Lease liabilities	7	\$ 761,668	\$ 193,264
NET ASSETS		<u>\$ 127,521,842</u>	<u>\$ 116,039,130</u>

Statement of financial position at 31 October 2025

(Expressed in Hong Kong dollars)

	Note	2025	2024
RESERVES	8		
Accumulated fund		\$ 7,376,943	\$ 5,903,850
Specific funds		120,144,899	110,135,280
		<u>\$ 127,521,842</u>	<u>\$ 116,039,130</u>

Approved and authorised for issue by the board of governors on

30 JUN 2026



Cheung Tsu-wang, Benson
Governor



Lam Chee-yau
Governor

The notes on pages 15 to 33 form part of these financial statements.

**Statement of income and expenditure and
other comprehensive income
for the year ended 31 October 2025**
(Expressed in Hong Kong dollars)

	Note	2025	2024
Income - donations	9	\$ 58,707,541	\$ 56,694,386
Other revenue	10	3,179,491	4,436,703
		<u>\$ 61,887,032</u>	<u>\$ 61,131,089</u>
Expenditure for providing services to child patients and their families and support to hospitals and doctors	11	(44,280,985)	(36,775,820)
Administrative expenses	12	(2,656,569)	(2,157,375)
Other operating expenses	13	(3,422,756)	(3,522,044)
Finance costs	14(a)	<u>(44,010)</u>	<u>(29,135)</u>
Surplus and total comprehensive income for the year	14	<u>\$ 11,482,712</u>	<u>\$ 18,646,715</u>

The notes on pages 15 to 33 form part of these financial statements.

Statement of changes in reserves for the year ended 31 October 2025 (Expressed in Hong Kong dollars)

		Specific funds (note 8(b))					Total
		Patient service development fund	Hospital service development fund	Public Service development fund	Research grants reserve	Sub-total	
Balance at 1 November 2023	\$ 3,866,230	\$ 64,164,924	\$ 25,921,624	\$ 672,927	\$ 2,766,710	\$ 93,526,185	\$ 97,392,415
Changes in reserves for 2023/24:							
Surplus and total comprehensive income for the year	18,646,715	-	-	-	-	-	18,646,715
Inter-fund transfer	(16,353,169)	14,190,150	783,162	-	1,379,857	16,353,169	-
Balance at 31 October 2024 and 1 November 2024	\$ 6,159,776	\$ 78,355,074	\$ 26,704,786	\$ 672,927	\$ 4,146,567	\$109,879,354	\$116,039,130
Changes in reserves for 2024/25:							
Surplus and total comprehensive income for the year	11,482,712	-	-	-	-	-	11,482,712
Inter-fund transfer	(10,265,545)	8,347,932	401,895	-	1,515,718	10,265,545	-
Balance at 31 October 2025	\$ 7,376,943	\$ 86,703,006	\$ 27,106,681	\$ 672,927	\$ 5,662,285	\$120,144,899	\$127,521,842

The notes on pages 15 to 33 form part of these financial statements.

Cash flow statement for the year ended 31 October 2025 (Expressed in Hong Kong dollars)

	Note	2025	2024
Operating activities			
Surplus for the year		\$ 11,482,712	\$ 18,646,715
Adjustments for:			
Depreciation	2	1,336,159	1,474,881
Loss on disposals of property, plant and equipment	14(b)	9,998	10,314
Interest income on bank deposits	10	(3,149,375)	(4,423,753)
Net exchange loss	14(b)	15,392	29,294
Finance costs	14(a)	44,010	29,135
Operating surplus before changes in working capital		<u>\$ 9,738,896</u>	<u>\$ 15,766,586</u>
Changes in working capital			
Increase in sponsorship receivable		(1,439,123)	(1,397,480)
Increase in other debtors, deposits and prepayments		(2,174,221)	(243,696)
Increase/(decrease) in other payables and accruals		<u>364,145</u>	<u>(3,829,011)</u>
Net cash generated from operating activities		<u><u>\$ 6,489,697</u></u>	<u><u>\$ 10,296,399</u></u>
Investing activities			
Payment for the purchase of property, plant and equipment		\$ (2,592,030)	\$ (544,899)
Interest received		3,794,535	4,053,110
Net decrease/(increase) in placement of deposits with bank with original maturity more than three months at acquisition		<u>16,306,735</u>	<u>(63,391,522)</u>
Net cash generated from/(used in) investing activities		<u><u>\$ 17,509,240</u></u>	<u><u>\$ (59,883,311)</u></u>

Cash flow statement for the year ended 31 October 2025 (continued)

(Expressed in Hong Kong dollars)

	Note	2025	2024
Financing activities			
Capital element of lease rentals paid	6	\$ (846,099)	\$ (664,123)
Interest element of lease rentals paid	6	(44,010)	(29,135)
Net cash used in financing activities		<u>\$ (890,109)</u>	<u>\$ (693,258)</u>
Net increase/(decrease) in cash and cash equivalents		\$ 23,108,828	\$ (50,280,170)
Effect of foreign exchange rate changes		(15,392)	(29,294)
Cash and cash equivalents at 1 November 2024/2023		<u>31,082,615</u>	<u>81,392,079</u>
Cash and cash equivalents at 31 October 2025/2024	4	<u>\$ 54,176,051</u>	<u>\$ 31,082,615</u>

The notes on pages 15 to 33 form part of these financial statements.

Notes to the financial statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all HKFRS Accounting Standards, which comprise collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. Material accounting policies adopted by the Foundation are disclosed below.

The HKICPA has issued new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Foundation. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Foundation for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1 Material accounting policies (continued)

(c) Changes in accounting policies

The Foundation has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability*, issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Foundation has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

None of the development has had a material effect on how the Foundation's results and financial position for current and prior periods have been prepared or presented.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(f)):

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

- Properties leased for own use	Over the unexpired term of lease
- Leasehold improvements	5 years
- Furniture, fixtures and equipment and motor vehicles	5 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in income and expenditure on the date of retirement or disposal.

1 Material accounting policies (continued)

(e) Leased assets

At inception of a contract, the Foundation assesses whether the contract is, or contains, a lease. 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

At the lease commencement date, the Foundation 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 leases of low-value assets. When the Foundation enters into a lease in respect of a low-value asset, the Foundation 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, the lease liability is initially recognised at the present value of the lease payments 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 income and expenditure in the accounting period in which they are incurred.

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, 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, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 1(d) and 1(f)).

The initial fair value of refundable rental deposits is accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in debt securities carried at amortised cost (see notes 1(h) and 1(m)(ii)). Any difference between the initial fair value and the nominal value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Foundation's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Foundation will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in income and expenditure if the carrying amount of the right-of-use asset has been reduced to zero.

1 Material accounting policies (continued)

The Foundation presents right-of-use assets in "property, plant and equipment" and presents lease liabilities separately in the statement of financial position.

(f) *Impairment of assets*

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 for property, plant and equipment, including right-of-use assets;

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

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and 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 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 income and expenditure if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other 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 its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

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 income and expenditure in the year in which the reversals are recognised.

(g) *Inventories*

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

1 Material accounting policies (continued)

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

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.

When inventories are sold, the carrying amount of those inventories is recognised as an expense 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 expense 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 expense in the period in which the reversal occurs.

(h) Trade and other receivables

A receivable is recognised when the Foundation 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 Foundation has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables that do not contain a significant financing component are initially measured at their transaction price. 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 and including an allowance for credit losses as determined below:

The loss allowance is measured at an amount equal to lifetime expected credit losses ("ECLs"), which are those losses that are expected to occur over the expected life of the management fee receivables. The loss allowance is estimated using a provision matrix based on the Foundation'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 of date.

ECLs are remeasured at each reporting date with any changes recognised as an impairment gain or loss in income and expenditure. The Foundation recognises an impairment gain or loss with a corresponding adjustment to the carrying amount of management fee and other receivables through a loss allowance account.

The gross carrying amount of a trade debtor or other receivable 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 Foundation 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.

(i) 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 that are 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. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 1(h).

1 Material accounting policies (continued)

(j) Trade and other payables

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

(k) Employee benefits

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

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Foundation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Defined benefit plan obligations

Long service payments ("LSP") under the Hong Kong Employment Ordinance

The Foundation's net obligation in respect of long service payments under the Hong Kong Employment Ordinance, which is the Foundation's only defined benefit plan, is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Foundation's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

The calculation of defined benefit obligation is performed by a qualified actuary using the projected unit credit method.

Remeasurements arising from defined benefit plan, which comprise actuarial gains and losses, are recognised immediately in OCI. Net interest expense for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plan are recognised in profit or loss.

1 Material accounting policies (continued)

(l) Provisions and contingent liabilities

Provisions are recognised when the Foundation has a 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 future events are 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.

(m) Revenue and other income

Details of the Foundation's revenue and other income recognition policies are as follows:

- (i) Donations are recognised as income when they are received, except for donations relating to expenditure for specific projects are deferred and recognised in the income and expenditure account over the period necessary to match them with the expenses that they are intended to compensate or period specified.
- (ii) Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost 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 1(h)).

(n) Translation of foreign currency

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into Hong Kong dollars at the exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in income and expenditure.

1 Material accounting policies (continued)

(o) Related parties

- (a) A person, or a close member of that person's family, is related to the Foundation if that person:
 - (i) has control or joint control over the Foundation;
 - (ii) has significant influence over the Foundation; or
 - (iii) is a member of the key management personnel of the Foundation or the Foundation's parent.
- (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 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 Foundation or an entity related to the Foundation.
 - (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 the Foundation of which it is a part, provides key management personnel services to the Foundation or to the Foundation'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.

2 Property, plant and equipment

(a) Reconciliation of carrying amount

	<i>Leasehold improvements</i>	<i>Furniture, fixtures and equipment and motor vehicles</i>	<i>Property leased for own use</i>	<i>Total</i>
Cost:				
At 31 October 2023	\$ 6,637,504	\$ 3,333,127	\$ 1,756,037	\$ 11,726,668
Additions	218,634	326,265	561,410	1,106,309
Disposals	(190,830)	(78,593)	(144,170)	(413,593)
At 31 October 2024	<u>\$ 6,665,308</u>	<u>\$ 3,580,799</u>	<u>\$ 2,173,277</u>	<u>\$ 12,419,384</u>
Accumulated depreciation:				
At 1 November 2023	\$ 6,415,024	\$ 2,523,016	\$ 944,810	\$ 9,882,850
Charge for the year	168,809	647,880	658,192	1,474,881
Written back on disposals	(190,830)	(68,279)	(144,170)	(403,279)
At 31 October 2024	<u>\$ 6,393,003</u>	<u>\$ 3,102,617</u>	<u>\$ 1,458,832</u>	<u>\$ 10,954,452</u>
Net book value:				
At 31 October 2024	<u>\$ 272,305</u>	<u>\$ 478,182</u>	<u>\$ 714,445</u>	<u>\$ 1,464,932</u>
Cost:				
At 31 October 2024	\$ 6,665,308	\$ 3,580,799	\$ 2,173,277	\$ 12,419,384
Additions	2,320,340	271,690	1,633,727	4,225,757
Disposals	(1,152,650)	(512,816)	(1,611,867)	(3,277,333)
At 31 October 2025	<u>\$ 7,832,998</u>	<u>\$ 3,339,673</u>	<u>\$ 2,195,137</u>	<u>\$ 13,367,808</u>
Accumulated depreciation:				
At 1 November 2024	\$ 6,393,003	\$ 3,102,617	\$ 1,458,832	\$ 10,954,452
Charge for the year	257,766	228,796	849,597	1,336,159
Written back on disposals	(1,152,650)	(502,818)	(1,611,867)	(3,267,335)
At 31 October 2025	<u>\$ 5,498,119</u>	<u>\$ 2,828,595</u>	<u>\$ 696,562</u>	<u>\$ 9,023,276</u>
Net book value:				
At 31 October 2025	<u>\$ 2,334,879</u>	<u>\$ 511,078</u>	<u>\$ 1,498,575</u>	<u>\$ 4,344,532</u>

2 Property, plant and equipment (continued)

The Foundation's head office at Tung Ning Building, 125 Connaught Road Central, which is held under a long-term lease, was donated to the Foundation by a third party in 1995 and the amount of which has not been recorded in these financial statements.

Other property, plant and equipment are located at the Foundation's head office, the Family Service Centre, Community Service Centre, the Half-way Homes and storage room.

(b) Right-of-use assets

The analysis of the net book value of right-of-use assets, carried at depreciated cost, by class of underlying asset is as follows:

	Note	2025	2024
Properties leased for own use	(i)	\$ 1,498,575	\$ 714,445

The analysis of expense items in relation to leases recognised in income and expenditure is as follows:

	2025	2024
Depreciation charge of right-of-use assets by class of underlying asset:		
Properties leased for own use	\$ 849,597	\$ 658,192
Interest on lease liabilities (note 14)	\$ 44,010	\$ 29,135

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 6 and 7, respectively.

(i) Properties leased for own use

The Foundation has obtained the right to use other properties as office, service centres, half-way home and storage room through tenancy agreements. The leases typically run for an initial period of 2 to 3 years.

3 Sponsorship receivable, bank interest receivable and other debtors, deposits and prepayments

Sponsorship receivable of \$6,136,603 (2024: \$4,697,480) is expected to be recovered within one year.

As at 31 October 2025 and 2024, no deposits are expected to be recovered after more than one year, all the bank interest receivable and other debtors, deposits and prepayments are expected to be recovered or recognised as an expense within one year.

4 Cash and deposits with banks

	2025	2024
Deposits with banks with original maturity within three months at acquisition	\$ 44,631,046	\$ 23,954,604
Cash at bank and in hand	9,545,005	7,128,011
Cash and cash equivalents in the cash flow statement	\$ 54,176,051	\$ 31,082,615
Deposits with banks with original maturity of more than three months at acquisition	66,305,038	82,611,773
Cash and deposits with banks in the statement of financial position	<u>\$120,481,089</u>	<u>\$113,694,388</u>

Included in cash and deposits with banks in the statement of financial position are \$11,713,103 (equivalent to US\$1,501,680) (2024: \$11,265,226 (equivalent to US\$1,442,410)) denominated in United States dollars.

5 Deferred income

The deferred income represented the balance of donations designated for specific projects, which are expected to be recognised as income and credited to the statement of income and expenditure when related expenditure was incurred. The amount includes \$2,958,000 (2024: \$2,958,000) received from the Hong Kong Jockey Club Charities Trust for implementation of Jockey Club Children's Palliative Care Project. The remaining balance amounted to \$797,300 (2024: \$797,300) was received from a private trust fund in respect of a project carried out after year end.

6 Reconciliation of liabilities arising from financing activities

The table below details changes in the Foundation'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 cash flow statement as cash flows from financing activities.

6 Reconciliation of liabilities arising from financing activities (continued)

	<i>Lease liabilities</i> (note 7)
At 31 October 2024	\$ 731,417
Changes from financing cash flows:	
Capital element of lease rentals paid	\$ (846,099)
Interest element of lease rentals paid	(44,010)
Total changes from financing cash flows	\$ (890,109)
Other changes:	
Increase in lease liabilities from entering into new lease during the year	\$ 1,633,727
Interest expenses (note 14)	44,010
Total other changes	\$ 1,677,737
At 31 October 2025	\$ 1,519,045
At 31 October 2023	\$ 834,130
Changes from financing cash flows:	
Capital element of lease rentals paid	\$ (664,123)
Interest element of lease rentals paid	(29,135)
Total changes from financing cash flows	\$ (693,258)
Other changes:	
Increase in lease liabilities from entering into new lease during the year	\$ 561,410
Interest expenses (note 14)	29,135
Total other changes	\$ 590,545
At 31 October 2024	\$ 731,417

6 Reconciliation of liabilities arising from financing activities (continued)

Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2025	2024
Within financing cash flows	\$ 890,109	\$ 693,258

7 Leases liabilities

The following table shows the remaining contractual maturities of the Foundation's lease liabilities at the end of the current reporting period and at the date of transition to HKFRS 16:

	2025		2024	
	<i>Present value of the minimum lease payments</i>	<i>Total minimum lease payments</i>	<i>Present value of the minimum lease payments</i>	<i>Total minimum lease payments</i>
Within 1 year	\$ 757,377	\$ 792,717	\$ 538,153	\$ 555,625
After 1 year but within 2 years	\$ 548,174	\$ 562,717	\$ 193,264	\$ 196,000
After 2 year but within 5 years	213,494	214,632	-	-
	<u>\$ 1,519,045</u>		<u>\$ 731,417</u>	
Less: total future interest expenses		\$ (51,021)		\$ (20,208)
Present value of lease liabilities		<u>\$ 1,519,045</u>		<u>\$ 731,417</u>

8 Reserves

(a) **Components of the Foundation's reserves**

The opening and closing balances of each component of the Foundation's reserves and a reconciliation between these amounts are set out in the statement of changes in reserves.

(b) **Specific funds**

The specific funds were set up by the governors for the purpose of financing future development in patient service, hospital service, public service and on-going multi-year research projects to which the Foundation is committed, offset by any deficit arising from operation.

8 Reserves (continued)

(c) Capital management

The Foundation is a charitable institution limited by guarantee and has no share capital. The Foundation considers its capital to be the aggregate of the accumulated fund and specific funds. The Foundation's primary objectives when managing its accumulated fund and specific funds are to safeguard the Foundation's ability to continue as a going concern, so that it can continue to provide services to look after the physical, psychological and social well-being of the child cancer patients in hospitals under the management of the Hospital Authority in Hong Kong. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Foundation to the extent that these do not conflict with the Governors' fiduciary duties towards the Foundation or the requirements of the Hong Kong Companies Ordinance.

There has been no change in the Foundation's capital management practice as compared to prior year and the Foundation is not subject to any externally imposed capital requirements.

9 Income - donations

	2025	2024
Children's Cancer Foundation		
General donations from public (including designated donations of \$5,735,354 (2024: \$3,411,705))	\$ 46,359,116	\$ 38,971,167
Project sponsorships received/receivable from the Hong Kong Jockey Club Charities Trust	\$ 5,180,000	\$ 4,713,040
Fundraising campaign organised by		
- organisations (including designated donations of \$288,042 (2024: \$2,547,404))	\$ 1,966,872	\$ 5,570,620
- schools (including designated donations of \$1,111,665 (2024: \$Nil))	1,197,819	242,605
- individuals	155,204	965,040
	\$ 3,319,895	\$ 6,778,265
Children's Palliative Care Foundation		
General donations and fundraising campaign from public (including designated donation and project sponsorship of \$2,433,615 (2024: \$5,065,265))	\$ 3,848,530	\$ 6,231,914
	\$ 58,707,541	\$ 56,694,386

10 Other revenue

	2025	2024
Interest income on bank deposits	\$ 3,149,375	\$ 4,423,753
Miscellaneous income	30,116	12,950
	<u>\$ 3,179,491</u>	<u>\$ 4,436,703</u>

11 Expenditure for providing services to child cancer patients and their families and support to hospitals and doctors

	2025	2024
Expenditure for Children's Cancer Foundation		
Patient Care and Community Service	\$ 9,822,726	\$ 8,798,017
Child Life	8,682,698	8,118,915
Drugs, devices, specialised tests and procedures	4,512,960	1,359,146
Family Service Centre	1,449,649	1,374,119
Research, medical conference and medical equipment	2,583,914	1,184,725
Community Service Centre	1,358,115	1,223,857
Clinical and diagnostic services	2,124,812	2,413,000
Depreciation		
- Owned property, plant and equipment	369,226	711,575
- Right-of-use assets	568,892	563,598
Half-way home	64,663	73,222
Loss on disposals of property, plant and equipment	9,279	-
	<u>\$ 31,546,934</u>	<u>\$ 25,820,174</u>
Expenditure for Children's Palliative Care Foundation		
Palliative and Home Care Service (Note)	\$ 12,687,652	\$ 10,916,327
Depreciation - Owned property, plant and equipment	45,680	35,962
Loss on disposals of property, plant and equipment	719	3,357
	<u>\$ 12,734,051</u>	<u>\$ 10,955,646</u>
	<u>\$ 44,280,985</u>	<u>\$ 36,775,820</u>

11 Expenditure for providing services to child cancer patients and their families and support to hospitals and doctors (continued)

Note:

The Children's Palliative Care Foundation, solely owned by the Children's Cancer Foundation, was established on 1 January 2018 and inaugurated on 14 October 2018 with the aim of providing in-depth palliative and home care service not only to child cancer patients but also to children with life-threatening and life-limiting diseases.

After the establishment of the Children's Palliative Care Foundation, the expenditure for Palliative and Home Care Service was charged to the Children's Palliative Care Foundation.

12 Administrative expenses

	2025	2024
Salaries and wages of administrative and general staff	\$ 2,229,601	\$ 1,918,252
Staff welfare and recruitment (including contributions to defined contribution pension plan of \$98,309 (2024: \$96,336))	347,531	160,866
Depreciation - Owned property, plant and equipment	71,656	69,152
Insurance	7,781	9,105
	<u>\$ 2,656,569</u>	<u>\$ 2,157,375</u>

13 Other operating expenses

	2025	2024
Fundraising expenses	\$ 1,310,354	\$ 1,172,709
Public relations and communications	795,608	968,536
Auditor's remuneration	220,000	220,000
Promotion expenses	254,612	535,638
Net exchange loss	15,392	29,294
Miscellaneous	83,372	81,729
Depreciation - Right-of-use assets	280,705	94,594
Professional fee	144,936	138,936
Repairs and maintenance	127,509	116,698
Rates and management fee	132,088	88,749
Printing, stationery and postage	44,262	54,230
Telephone expenses	13,918	13,974
Loss on disposals of property, plant and equipment	-	6,957
	<u>\$ 3,422,756</u>	<u>\$ 3,522,044</u>

14 Surplus for the year

Surplus for the year is arrived at after charging/(crediting):

	2025	2024
(a) Finance costs		
Interest on lease liabilities (note 6)	44,010	29,135
(b) Other items		
Salaries, wages and other benefits (including contributions to defined contribution pension plan of \$1,527,139 (2024: \$1,339,605)) *	\$ 32,432,430	\$ 30,360,609
Depreciation		
- Owned property, plant and equipment	486,562	816,689
- Right-of-use assets	849,597	658,192
Loss on disposals of property, plant and equipment	9,998	10,314
Net exchange loss	15,392	29,294
Auditor's remuneration		
- Current year	220,000	220,000

* Salaries, wages and other benefits are included within subcategories of "expenditure for providing services to child cancer patients and their families and support to hospitals and doctors", "administrative expenses" and "other operating expenses".

15 Governors' remuneration

None of the governors received any remuneration from the Foundation for the current and prior years.

16 Taxation

No provision has been made in the financial statements for Hong Kong Profits Tax as the Foundation is an approved charitable organisation and is exempted from tax under section 88 of the Inland Revenue Ordinance.

17 Members' liability

The liability of the members of the Foundation in the event of a winding up is limited to \$20 for each member. As at 31 October 2025, the Foundation has 39 (2024: 32) members.

18 Material related party transaction

The Foundation did not enter into any material related party transactions during the current and prior years.

19 Financial risk management and fair values of financial instruments

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Foundation's business. The Foundation's exposure to these risks and the financial risk management policies and practices used by the Foundation to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Foundation. The Foundation's credit risk is primarily attributable to sponsorship receivable and bank deposits. The Foundation's exposure to credit risk arising from subsidies receivables is limited because the subsidies was receivable from institutions which is supported by the HKSAR government, for which the Foundation considers to have low credit risk. The Foundation's exposure to credit risk arising from cash and cash equivalents is limited because the Foundation only places deposits with major financial institutions with sound credit ratings, for which the Foundation considers to have low credit risk.

(b) Liquidity risk

The Foundation's policy is to regularly monitor its current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash and funding lines to meet its liquidity requirements in the short and longer term. All financial liabilities are expected to be settled within one year or are repayable on demand.

(c) Interest rate risk

The Foundation's exposure to changes in interest rates primarily relates to the Foundation's bank deposits. The Foundation's bank deposits have an effective interest rate of 0.96% (2024: 1.48%).

At 31 October 2025, it is estimated that a general increase/decrease of 1% (2024: 1%) in interest rates, with all other variables held constant, would increase/decrease the Foundation's surplus and the Foundation's reserves by approximately \$1,109,361 (2024: \$1,065,664).

The sensitivity analysis above is the annualised impact and has been determined assuming the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to floating interest rate risk for financial instruments in existence at that date. The analysis is performed on the same basis for 2024.

(d) Foreign currency risk

The Foundation is exposed to foreign currency risks through certain bank deposits that are denominated in United States dollars ("USD"). As the HKD is pegged to USD, the Foundation does not expect any significant movements in the USD/HKD exchange rate.

(e) Fair value measurement

All financial instruments are carried at amounts not materially different from their fair values as at 31 October 2025 and 2024, given their short-term maturities.

20 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 October 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard, HKFRS 17, *Insurance contracts*, which are not yet effective for the year ended 31 October 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Foundation.

*Effective for
accounting periods
beginning on or after*

Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027

The Foundation is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.

HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1, *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, income taxes and discontinued operations categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Foundation does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.