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NEW HOPE FOUNDATION LIMITED
(Incorporated in Hong Kong with limited by guarantee)

Reports and Financial Statements
For the year ended 31 December 2025

RSM

NEW HOPE FOUNDATION LIMITED
(Incorporated in Hong Kong with limited by guarantee)

Reports and Financial Statements
For the year ended 31 December 2025

NEW HOPE FOUNDATION LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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NEW HOPE FOUNDATION LIMITED
EXECUTIVE COMMITTEES' REPORT

The Executive Committees present their annual report together with the audited financial statements of New Hope Foundation Limited (the "Foundation") for the year ended 31 December 2025.

1. PRINCIPAL ACTIVITIES

The Foundation is a non-profit making organisation and its principal activity is to provide charitable orphanage services in the People's Republic of China.

2. RESULTS

The results of the Foundation for the year ended 31 December 2025 are set out in the statement of income and expenditure and other comprehensive income on page 7.

3. EXECUTIVE COMMITTEE MEMBERS

The Executive Committee members of the Foundation during the year and up to the date of this report were:

Robin Walter HILL
Frederick Vernon HSU
LIM Chin Hian
LI Kin Hong, Pius

In accordance with Article 49 of the Foundation's Articles of Association, the term of office of every member of the Executive Committee shall be 2 years. At the end of the term of office, the remaining members shall retire but shall be eligible for re-election or nomination.

4. MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Foundation were entered into or existed during the year.

5. AUDITOR

The financial statements have been audited by RSM Hong Kong who retire and, being eligible, offers themselves for re-appointment.

On behalf of the Board



Robin Walter HILL
Hong Kong, 23 September 2026

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW HOPE FOUNDATION LIMITED (Incorporated in Hong Kong with limited by guarantee)

Opinion

We have audited the financial statements of New Hope Foundation Limited (the "Foundation") set out on pages 7 to 31, which comprise the statement of financial position as at 31 December 2025, and the statement of income and expenditure and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

RSM Hong Kong is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
NEW HOPE FOUNDATION LIMITED
(Incorporated in Hong Kong with limited by guarantee)

Other Information
The Executive Committees are responsible for the other information. The other information comprises all of 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.

Responsibilities of Executive Committees for the Financial Statements
The Executive Committees 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 Companies Ordinance, and for such internal control as the Executive Committees 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 Executive Committees 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 Executive Committees 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. We report our opinion solely to you, as a body, in accordance with section 405 of the Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
NEW HOPE FOUNDATION LIMITED
(Incorporated in Hong Kong with limited by guarantee)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)
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 judgement 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committees.

- Conclude on the appropriateness of the Executive Committees' 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
NEW HOPE FOUNDATION LIMITED
(Incorporated in Hong Kong with limited by guarantee)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)
We communicate with the Executive Committees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is WONG, Tak Man, Stephen (practicing certificate number: P01727).

Certified Public Accountants
Hong Kong

23 September 2026

NEW HOPE FOUNDATION LIMITED
STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	**2025** **HK$**	2024 HK$
Donations received	7	**8,074,246**	9,061,116
Donations paid		**(5,984,726)**	(7,250,960)
		2,089,520	1,810,156
Other income	8	**178**	9,328
Other gains - net foreign exchange gains		**91,381**	590,962
Administrative expenses		**(1,644,250)**	(2,435,267)
Other expenses		**(262,176)**	(117,817)
Surplus/(deficit) before tax		**274,653**	(142,638)
Income tax expense	9	**-**	-
Surplus/(deficit) for the year	10	**274,653**	(142,638)
Other comprehensive income after tax:			
Items that may be reclassified to income and expenditure:			
Exchange differences on translating foreign operations		**2,848**	(6,888)
Total comprehensive income for the year		**277,501**	(149,526)

NEW HOPE FOUNDATION LIMITED
STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2025

	Note	**2025**	2024
		HK$	HK$
Non-current assets			
Property, plant and equipment	13	**48,347**	194,603
Right-of-use assets	14	**59,763**	4,403
		108,110	199,006
Current assets			
Deposits and other receivables		**509,743**	219,817
Bank and cash balances		**149,814**	70,843
		659,557	290,660
Current liabilities			
Accruals and other payables		**9,400**	8,900
Net current assets		**650,157**	281,760
NET ASSETS		**758,267**	480,766
TOTAL FUNDS		**758,267**	480,766

Approved by the Executive Committees on 23 September 2026 and are signed on its behalf by:

Robin Walter HILL

Li Kin Hong, Pius

NEW HOPE FOUNDATION LIMITED
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Foreign currency translation reserve (note 15)	Accumulated funds	Total funds
	HK$	HK$	HK$
At 1 January 2024	1,202,198	(571,906)	630,292
Deficit for the year	-	(142,638)	(142,638)
Other comprehensive income	(6,888)	-	(6,888)
Total comprehensive income for the year	(6,888)	(142,638)	(149,526)
At 31 December 2024	1,195,310	(714,544)	480,766
At 1 January 2025	1,195,310	(714,544)	480,766
Surplus for the year	-	274,653	274,653
Other comprehensive income	2,848	-	2,848
Total comprehensive income for the year	2,848	274,653	277,501
At 31 December 2025	**1,198,158**	**(439,891)**	**758,267**

NEW HOPE FOUNDATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	**2025** **HK$**	2024 HK$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(deficit) before tax		**274,653**	(142,638)
Adjustments for:			
Interest income	8	**(178)**	(1,089)
Depreciation on property, plant and equipment	13	**209,441**	48,541
Depreciation on right-of-use assets	14	**17,888**	17,867
Operating surplus/(deficit) before working capital changes		**501,804**	(77,319)
Increase in deposits and other receivables		**(289,926)**	(17,955)
Increase/(decrease) in accruals and other payables		**500**	(226,717)
Net cash generated from/(used in) operating activities		**212,378**	(321,991)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**178**	1,089
Purchases of property, plant and equipment		**(57,825)**	-
Payments for right-of-use assets		**(70,138)**	-
Net cash (used in)/generated from investing activities		**(127,785)**	1,089
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**84,593**	(320,902)
Effect of foreign exchange rate changes		**(5,622)**	-
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**70,843**	391,745
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		**149,814**	70,843
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and cash balances		**149,814**	70,843

NEW HOPE FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

New Hope Foundation Limited (the "Foundation") was incorporated in Hong Kong as a company limited by guarantee and not having a share capital. The two founder members of the Foundation have agreed to contribute Hong Kong dollars ("HK$") 50 each to the assets of the Foundation in the event of the Foundation being wound up.

The Foundation is a non-profit making organisation and its principal activity is to provide charitable orphanage services in the People's Republic of China. The address of its registered office is Room B, 16/F., Success Commercial Building, 245-251 Hennessy Road, Wan Chai, Hong Kong.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These financial statements also comply with the requirements of the Companies Ordinance.

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Foundation. Note 3 to the financial statements 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.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of new and revised HKFRS Accounting Standards

The Foundation has adopted all the new or amended HKFRS Accounting Standards and Interpretations as issued by the HKICPA that are mandatory for the current reporting period. There was no material impact to the financial statements as a result of the adoption of these standards.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS (CONT'D)

(b) New and revised HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 December 2025 and which have not been early adopted by the Foundation for the annual reporting period ended 31 December 2025. The Foundation's assessment of the impact of these new or amended HKFRS Accounting Standards and Interpretations, most relevant to the Foundation, are set out below:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 - Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards - Volume 11	1 January 2026
Amendment to HKAS 21 - Translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027

The Executive Committee of the Foundation are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are 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 except for the followings:

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS (CONT'D)

(b) New and revised HKFRS Accounting Standards in issue but not yet effective (cont'd)

HKFRS 18 "Presentation and Disclosure in Financial Statements"

HKFRS 18 will replace HKAS 1 "Presentation of financial statements", introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of income and expenditure and other comprehensive income, which will affect how the Foundation present and disclose financial performance in the financial statements.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of income and expenditure, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures ("MPMs") are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS (CONT'D)

(b) New and revised HKFRS Accounting Standards in issue but not yet effective (cont'd)

HKFRS 18 "Presentation and Disclosure in Financial Statements" (cont'd)

The Executive Committee of the Foundation is currently assessing the impact of HKFRS 18, with respect to the structure of the Foundation's statement of income and expenditure and other comprehensive income, the statements of cash flows and the additional disclosures required for MPMs. The Foundation is also assessing the impact on how information is grouped in the financial statements. Preliminary assessments indicate the following key impacts:

- The Foundation will need to reclassify certain income and expense items (e.g., interest income on certain investments and foreign exchange gains/losses) into the new categories, namely investing and financing categories.
- The Statement of Cash Flows will also be impacted, as the operating profit subtotal will be the required starting point for the indirect method.

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

The HKICPA issued targeted amendments to HKFRS 9 and HKFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Foundation.

4. MATERIAL ACCOUNTING POLICY INFORMATION

These financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Foundation's accounting policies. The areas where assumptions and estimates are significant to the financial statements are disclosed in note 5 to the financial statements.

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

(a) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Hong Kong dollars ("HK$"), which is the Foundation's presentation currency. The functional currency of the Foundation is Renminbi. The Executive Committees consider that choosing HK$ as the presentation currency best suits the needs of the members and donors.

(ii) Transactions and balances in financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in income and expenditure.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Foundation initially recognises such non-monetary assets or liabilities.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in income and expenditure, any exchange component of that gain or loss is recognised in income and expenditure.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(a) Foreign currency translation (cont'd)

(iii) Translation

The results and financial position of all foreign operations (none of which has the currency of hyperinflationary economy) that have a functional currency different from the Foundation's presentation currency are translated into the Foundation's presentation currency as follows:

- Assets and liabilities are translated at the closing rate;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

(b) Property, plant and equipment

Property, plant and equipment held for administrative purposes are stated in the statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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 Foundation and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in income and expenditure during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold improvements	10%
Equipment	20%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(c) Leases - The Foundation as a lessee

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.

Where the contract contains lease component(s) and non-lease component(s), the Foundation 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 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. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

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.

Right-of-use assets in which the Foundation is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(d) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Foundation becomes a party to the contractual provisions of the instrument.

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

The Foundation 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 Foundation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Foundation recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Foundation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Foundation continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Foundation derecognises financial liabilities when, and only when, the Foundation'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, including any non-cash assets transferred or liabilities assumed, is recognised in income and expenditure.

(e) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(f) 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, which are assessed for expected credit losses ("ECL").

(h) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability under HKFRS Accounting Standards. The accounting policies adopted for specific financial liabilities are set out below.

(i) Other payables

Other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(j) Revenue and other income

Donation income is recognised when cash is received.

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.

(k) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(k) Employee benefits (cont'd)

(ii) Pension obligations

The Foundation contributes to defined contribution retirement schemes which are available to all employees. Contribution to the schemes by the Foundation and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to income and expenditure represents contributions payable by the Foundation to the funds.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Foundation can no longer withdraw the offer of those benefits, and when the Foundation recognises restructuring costs and involves the payment of termination benefits.

(l) Taxation

No provision for Hong Kong profits tax has been made in these financial statements as the Foundation is a charitable organisation exempted from Hong Kong profits tax under section 88 of the Inland Revenue Ordinance.

(m) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the statement of income and expenditure and other comprehensive income to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset /cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/ cash-generating unit whose impairment is being measured.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(m) Impairment of non-financial assets (cont'd)

Impairment losses for cash-generating units are allocated pro rate amongst the assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to income and expenditure to the extent that they reverse the impairment.

(n) Impairment of financial assets

The Foundation recognises a loss allowance for ECL on other receivables and bank and cash balances. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all financial instruments, the Foundation recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Foundation measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Foundation compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Foundation 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. Forward-looking information considered includes the future prospects of the industries in which the Foundation's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Foundation's core operations.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(n) Impairment of financial assets (cont'd)

Significant increase in credit risk (cont'd)

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 the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Foundation presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are past due, unless the Foundation has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Foundation assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(i) the financial instrument has a low risk of default,
(ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(n) Impairment of financial assets (cont'd)

Significant increase in credit risk (cont'd)

The Foundation considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

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

Definition of default

The Foundation considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Foundation, in full (without taking into account any collaterals held by the Foundation).

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(n) Impairment of financial assets (cont'd)

Credit-impaired financial assets

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

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Foundation writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Foundation's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in income and expenditure.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(n) Impairment of financial assets (cont'd)

Measurement and recognition of ECL (cont'd)

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Foundation in accordance with the contract and all the cash flows that the Foundation expects to receive, discounted at the original effective interest rate.

If the Foundation has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Foundation measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Foundation recognises an impairment gain or loss in income and expenditure for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(o) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Foundation 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 expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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 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 is remote.

5. KEY ESTIMATES

In applying the Foundation's accounting policies, which are described in note 4 to the financial statements, the Executive Committees are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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.

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, are discussed below.

Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Foundation has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Foundation estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

The carrying amount of property, plant and equipment and right-of-use assets as at 31 December 2025 were HK$48,347 (2024: HK$194,603) and HK$59,763 (2024: HK$4,403) respectively.

6. FINANCIAL RISK MANAGEMENT

The Foundation's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Foundation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Foundation's financial performance.

(a) Foreign currency risk

The Foundation has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Renminbi and HK$. The Foundation currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Foundation monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Foundation is exposed to credit risk from its other receivables and deposits with banks.

Other receivables

In determining the ECL for other receivables, the Executive Committee of the Foundation has taken into account the forward-looking information, as appropriate, and concluded that credit risk inherent in the Foundation's outstanding other receivables are insignificant. Thus, the Foundation measures the loss allowance equal to 12-month ECL. The Executive Committee considers that the risk of default is insignificant and no impairment has been recognised.

Bank balances

The Foundation's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks with high credit-rating assigned by international credit-rating agencies, for which the Foundation considers to have low credit risk.

6. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk

The Foundation's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity based on contractual undiscounted cash flows of the Foundation's financial liabilities at 31 December 2025 and 31 December 2024 is less than one year.

(d) Interest rate risk

As the Foundation has no significant interest-bearing assets and liabilities, the Foundation's operating cash flows are substantially independent of changes in market interest rates.

(e) Categories of financial instruments at 31 December

	2025	2024
	HK$	HK$
Financial assets:		
Financial assets at amortised cost	**659,557**	290,660
Financial liabilities:		
Financial liabilities at amortised cost	**9,400**	8,900

(f) Fair values

The carrying amounts of the Foundation's financial assets and financial liabilities as reflected in the statement of financial position approximate their respective fair values.

7. DONATIONS RECEIVED

The Foundation's donations received represent donations received from corporations and individuals during the year.

8. OTHER INCOME

	2025 HK$	2024 HK$
Interest income	178	1,089
Sundry income	-	8,239
	178	9,328

9. INCOME TAX EXPENSE

The Foundation, being a charitable organisation, is exempted from Hong Kong profits tax by virtue of section 88 of the Inland Revenue Ordinance.

10. SURPLUS/(DEFICIT) FOR THE YEAR

The Foundation's surplus/(deficit) for the year is stated after charging the following:

	2025 HK$	2024 HK$
Auditor's remuneration	9,400	24,992
Depreciation on property, plant and equipment	209,441	48,541
Depreciation on right-of-use assets	17,888	17,867

11. EMPLOYEE BENEFITS EXPENSE

	2025 HK$	2024 HK$
Employee benefits expense:		
Salaries and allowances	6,904,772	8,006,053
Retirement benefit scheme contributions	191,900	939,682
	7,096,672	8,945,735

12. EXECUTIVE COMMITTEES' EMOLUMENTS

None of the Executive Committee members received any emoluments from the Foundation during the year (2024: Nil).

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$	Equipment HK$	Total HK$
Cost			
At 1 January 2024	1,924,544	3,005,395	4,929,939
Exchange differences	(55,456)	(86,602)	(142,058)
At 31 December 2024 and 1 January 2025	1,869,088	2,918,793	4,787,881
Additions	-	57,825	57,825
Exchange differences	82,695	131,747	214,442
At 31 December 2025	1,951,783	3,108,365	5,060,148
Accumulated depreciation			
At 1 January 2024	1,924,544	2,755,757	4,680,301
Charge for the year	-	48,541	48,541
Exchange differences	(55,456)	(80,108)	(135,564)
At 31 December 2024 and 1 January 2025	1,869,088	2,724,190	4,593,278
Charge for the year	-	209,441	209,441
Exchange differences	82,695	126,387	209,082
At 31 December 2025	1,951,783	3,060,018	5,011,801
Carrying amount			
At 31 December 2025	**-**	**48,347**	**48,347**
At 31 December 2024	-	194,603	194,603

14. RIGHT-OF-USE ASSETS

	Leased properties HK$
At 1 January 2024	22,664
Depreciation	(17,867)
Exchange differences	(394)
At 31 December 2024 and 1 January 2025	4,403
Additions	70,138
Depreciation	(17,888)
Exchange differences	3,110
At 31 December 2025	**59,763**

	2025 HK$	2024 HK$
Depreciation on right-of-use assets	**17,888**	17,867
Expenses relating to short-term lease (included in administrative expenses)	**867**	-

Leased assets may not be used as security for borrowing purpose.

For both years, the Foundation leases an office for its operations. Lease contracts were entered into for fixed term of four years (2024: four years). Lease terms were negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Foundation applies the definition of a contract and determines the period for which the contract is enforceable.

15. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of the foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4(a)(iii) to the financial statements.

NEW HOPE FOUNDATION LIMITED
DETAILED STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 HK$	2024 HK$
DONATIONS RECEIVED	**8,074,246**	9,061,116
DONATIONS PAID	**(5,984,726)**	(7,250,960)
	2,089,520	1,810,156
OTHER INCOME		
Interest income	**178**	1,089
Sundry income	**-**	8,239
	178	9,328
OTHER GAINS		
Net foreign exchange gains	**91,381**	590,962
	2,181,079	2,410,446
ADMINISTRATIVE EXPENSES		
Auditor's remuneration	**9,400**	24,992
Automobile expenses	**63,419**	77,120
Baby supplies	**9,714**	13,341
Legal and professional fees	**8,422**	14,344
Marketing	**8,638**	30,324
Rent	**867**	-
Repairs and maintenance	**223**	6,284
Salaries	**1,427,160**	2,074,262
Subscriptions	**385**	6,943
Sundry expenses	**5,689**	9,568
Telecommunication	**110,333**	178,089
	1,644,250	2,435,267
OTHER OPERATING EXPENSES		
Bank charges	**34,847**	51,409
Depreciation on property, plant and equipment	**209,441**	48,541
Depreciation on right-of-use assets	**17,888**	17,867
	262,176	117,817
SURPLUS/(DEFICIT) BEFORE TAX	**274,653**	(142,638)

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