

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND**

**Report and Financial Statements
For the year ended 31 March 2023**

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND**

Opinion

We have audited the financial statements of The Malaysian Chamber (Hong Kong and Macau) Students Trust Fund (the "Fund") set out on pages 5 to 22 which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss 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 a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") 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 Fund 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND**

Other Information

The Trustees 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 the Trustees for the Financial Statements

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND**

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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees on 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 Fund'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 Fund to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND**

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

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Fund or business activities within the Fund to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Fund audit. We remain solely responsible for our audit opinion.

We communicate with the Trustees 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.

A handwritten signature in blue ink, appearing to read 'RSM Hong Kong', is written over a horizontal line. Below the line, the text 'Certified Public Accountants' is printed in a black, sans-serif font.

Certified Public Accountants

11 May 2023

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	<u>2023</u> HK\$	<u>2022</u> HK\$
Revenue	6	1,971,641	2,718,910
Other income			
Interest income		<u>22,671</u>	<u>7,566</u>
		1,994,312	2,726,476
Expenditure			
Bank charges		840	795
Scholarships granted	7	<u>2,242,000</u>	<u>1,914,000</u>
		<u>(2,242,840)</u>	<u>(1,914,795)</u>
(Deficit)/surplus for the year	8	(248,528)	811,681
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
(Deficit)/surplus and total comprehensive income for the year		<u>(248,528)</u>	<u>811,681</u>

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND
STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2023**

	Note	<u>2023</u> HK\$	<u>2022</u> HK\$
Current assets			
Bank balances	9	<u>5,895,278</u>	<u>6,114,406</u>
Current liabilities			
Other payables		<u>29,400</u>	<u>-</u>
NET ASSETS		<u>5,865,878</u>	<u>6,114,406</u>
Reserves			
Accumulated funds		<u>5,865,878</u>	<u>6,114,406</u>

Approved by the Trustees on 11 May 2023 and are signed on its behalf by:



GAN Khai Choon



CHOW Kok Kheong

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 MARCH 2023**

	<u>Accumulated funds</u> HK\$
At 1 April 2021	5,302,725
Total comprehensive income for the year	<u>811,681</u>
At 31 March 2022	6,114,406
Total comprehensive income for the year	<u>(248,528)</u>
At 31 March 2023	<u><u>5,865,878</u></u>

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	<u>2023</u> HK\$	<u>2022</u> HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/surplus for the year	(248,528)	811,681
Adjustment for:		
Bank interest income	<u>(22,671)</u>	<u>(7,566)</u>
Operating (deficit)/surplus before working capital changes	(271,199)	804,115
Increase in other payables	<u>29,400</u>	<u>-</u>
Net cash (used)/generated from operating activities	<u>(241,799)</u>	<u>804,115</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in time deposits with maturity more than 3 months when acquired	-	1,528,500
Interest received	<u>22,671</u>	<u>7,566</u>
Net cash generated from investing activities	<u>22,671</u>	<u>1,536,066</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(219,128)	2,340,181
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>6,114,406</u>	<u>3,774,225</u>
CASH AND CASH EQUIVALENTS AT 31 MARCH	<u>5,895,278</u>	<u>6,114,406</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash at bank and time deposits within three months of maturity when acquired (note 9)	<u>5,895,278</u>	<u>6,114,406</u>

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. GENERAL INFORMATION

The Malaysian Chamber (Hong Kong and Macau) Students Trust Fund (the “Fund”) was established by a declaration of trust made on 7 May 2019 by the Trustees. The Fund provides scholarships to eligible Malaysian students pursuing higher education in Hong Kong and Macau. The address of the Fund’s principal place of business is Unit 1103, 11/F, Malaysia Building, 50 Gloucester Road, Wan Chai, Hong Kong. The Trustees during the year and as at 31 March 2023 were:

Dato’ GAN Khai Choon
Dato’ Seri CHEAH Cheng Hye
Mr. CHOW Kok Kheong
Mr. SONG Hoi See
Dato’ LIU Meng Fah
Mr. Kelvin TAN Hai Ching

The scholarships are granted to eligible Malaysian students who are facing financial difficulties in Hong Kong and Macau and are subject to review by a Selection Committee with final approval by the Trustees.

The Selection Committee members during the year and as at 31 March 2023 were:

Mr. THAM Chee Lung
Mr. KHOO Kim Cheng
Dr. YONG Boon Hun
Ms. BEH Yong Shin
Professor Kathryn CHEAH

The maximum entitlement for each student is HK\$40,000 per annum for a period of up to 4 years under normal circumstances.

Students who received the scholarships are encouraged to donate to the Fund after graduation and in employment.

The Trustees and the Selection Committee members are not entitled to any fees or remuneration.

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. Significant accounting policies adopted by the Fund are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting year of the Fund. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Fund for the current and prior accounting years reflected in these financial statements.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Application of new and revised HKFRSs

The Fund has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2022 for the preparation of the consolidated financial statements:

Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements Project	Annual Improvements to HKFRS Standards 2018-2020

The Fund did not change its accounting policies or make retrospective adjustments as a result of adopting the abovementioned amended standards or annual improvements.

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONT'D)

(b) New and revised HKFRSs in issue but not yet effective

The Fund has not applied any new standard, amendments to standards and interpretation that have been issued but are not yet effective for the financial year beginning 1 April 2022. The new standard, amendments to standards and interpretation include the following which may be relevant to the Fund.

	Effective for accounting periods beginning on or after
Amendments to HKAS 1 - Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to HKAS 1 and HKFRS Practice Statement 2 - Disclosure of Accounting Policies	1 January 2023
Amendments to HKAS 8 - Definition of Accounting Estimates	1 January 2023

The Fund is in the process of making an assessment of what the impact of these amendments and new standards 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.

4. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies.

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The significant accounting policies applied in the preparation of these financial statements are set out below.

(a) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in Hong Kong dollars, which is the Fund’s functional and presentation currency.

(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 profit or loss.

(b) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Fund entity 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 Fund 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 Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Recognition and derecognition of financial instruments (cont'd)

The Fund derecognises financial liabilities when, and only when, the Fund'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 profit or loss.

(c) 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.

(d) 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 expected credit losses ("ECL").

(e) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) 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.

(g) Revenue and other income

Donation and grants are recognised at a point in time when the Fund becomes entitled to them.

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.

(h) Impairment of financial assets

The Fund recognises a loss allowance for expected credit losses on cash and cash equivalents. The amount of expected credit losses 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 Fund 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 Fund measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses 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.

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Fund 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 Fund 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 Fund'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 Fund's core operations.

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;
- 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.

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Significant increase in credit risk (cont'd)

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

Despite the foregoing, the Fund 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.

The Fund 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 Fund 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.

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Definition of default

The Fund 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 Fund, in full (without taking into account any collaterals held by the Fund).

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

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; or
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
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NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Write-off policy

The Fund 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, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Fund's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of expected credit losses 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; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Fund's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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

If the Fund 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 Fund 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 Fund recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Fund 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.

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. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to foreign currency risk and credit risk. The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

(a) Foreign currency risk

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

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

5. FINANCIAL RISK MANAGEMENT (CONT'D)

(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 Fund is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks. The Fund'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 Fund considers to have low credit risk.

(c) Categories of financial instruments at 31 March 2023

	<u>2023</u> HK\$	<u>2022</u> HK\$
Financial assets:		
Financial assets measured at amortised cost	<u>5,895,278</u>	<u>6,114,406</u>
Financial liabilities:		
Financial liabilities measured at amortised cost	<u>29,400</u>	<u>-</u>

(d) Fair values

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

6. REVENUE

Revenue represents donations received and recognised at a point in time.

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. SCHOLARSHIPS GRANTED

As at 31 March 2023, 56 scholarships were granted (31.03.2022: 49 scholarships were granted). Particulars are as follows:

	<u>2023</u> HK\$	<u>2022</u> HK\$
Scholarships granted during the year	<u>2,242,000</u>	<u>1,914,000</u>
Commitments on scholarships granted	<u>2,192,000</u>	<u>2,452,000</u>

8. (DEFICIT)/SURPLUS FOR THE YEAR

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

	<u>2023</u> HK\$	<u>2022</u> HK\$
Auditor's remuneration	-	-
Trustees' remuneration	<u>-</u>	<u>-</u>

All services provided to the Fund are on a honorary basis and any administrative expenses are taken up by the Malaysian Chamber of Commerce (Hong Kong and Macau) Limited.

9. BANK AND CASH BALANCES

	<u>2023</u> HK\$	<u>2022</u> HK\$
Time deposits	4,829,317	3,306,646
Cash at bank	<u>1,065,961</u>	<u>2,807,760</u>
	5,895,278	6,114,406
Less:		
Time deposits with maturity more than 3 months when acquired	<u>-</u>	<u>-</u>
Cash and cash equivalents	<u>5,895,278</u>	<u>6,114,406</u>

**THE MALAYSIAN CHAMBER (HONG KONG AND MACAU)
STUDENTS TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. PROFITS TAX

The Fund is exempted from Hong Kong profits tax by virtue of Section 88 of the Inland Revenue Ordinance.